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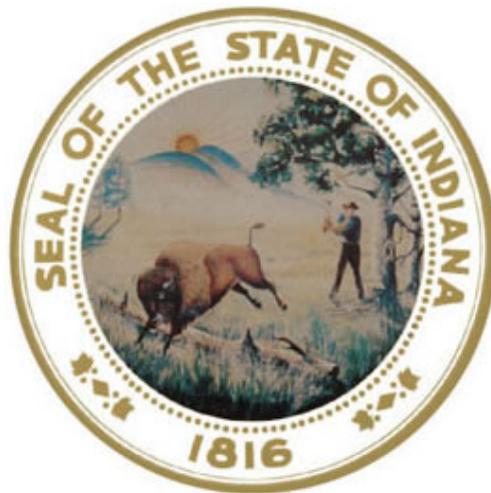
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2009

TOWN OF SCHERERVILLE

LAKE COUNTY, INDIANA



**FILED**  
06/03/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice M. Malinowski	01-01-08 to 12-31-11
President of the Town Council	Perry Ferrini Jerry Tippy	01-01-09 to 12-13-09 12-14-09 to 12-31-10
Superintendent of Utilities	James Gorman	01-01-09 to 12-31-10
Superintendent of Water Utility	Jeffery Huet	01-01-09 to 12-31-09
Superintendent of Wastewater Utility	James Gorman	01-01-09 to 12-31-09
Town Manager	Robert Volkman	01-01-09 to 12-31-10



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AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Schererville (Town), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 14, 2010, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Town has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Town's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 14, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Schererville (Town), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 14, 2010

TOWN OF SCHERERVILLE  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 11,697,325	\$ 565,013	\$ -	\$ -	\$ (11,132,312)	\$ -	\$ (11,132,312)
Public safety	29,752	1,034,658	23,760	40,505	1,069,171	-	1,069,171
Highways and streets	1,967,705	5,136	594,879	219,252	(1,148,438)	-	(1,148,438)
Sanitation	1,682,036	1,912,674	-	-	230,638	-	230,638
Economic development	1,894,807	-	-	-	(1,894,807)	-	(1,894,807)
Culture and recreation	580,527	213,134	13,850	15,637	(337,906)	-	(337,906)
Principal and interest on indebtedness	7,023,009	-	-	-	(7,023,009)	-	(7,023,009)
Total governmental activities	24,875,161	3,730,615	632,489	275,394	(20,236,663)	-	(20,236,663)
Business-type activities:							
Wastewater Utility	14,087,978	4,429,550	-	-	-	(9,658,428)	(9,658,428)
Water Utility	5,440,051	5,135,631	-	-	-	(304,420)	(304,420)
Total business-type activities	19,528,029	9,565,181	-	-	-	(9,962,848)	(9,962,848)
Total primary government	\$ 44,403,190	\$ 13,295,796	\$ 632,489	\$ 275,394	(20,236,663)	(9,962,848)	(30,199,511)
General receipts:							
Property taxes					12,688,142	-	12,688,142
Intergovernmental					1,161,504	-	1,161,504
Other local sources					6,194,317	2,071,558	8,265,875
Net proceeds from borrowings					-	15,700,000	15,700,000
Grants and contributions not restricted to specific programs					84,692	-	84,692
Investment earnings					137,194	83,181	220,375
Interfund loans					3,590	(752,902)	(749,312)
Total general receipts and interfund loans					20,269,439	17,101,837	37,371,276
Change in net assets					32,776	7,138,989	7,171,765
Net assets - beginning					9,173,181	11,985,647	21,158,828
Net assets - ending					\$ 9,205,957	\$ 19,124,636	\$ 28,330,593
<u>Assets</u>							
Cash and investments					\$ 5,604,054	\$ 6,129,816	\$ 11,733,870
Restricted assets:							
Cash and investments					3,601,903	12,994,820	16,596,723
Total assets					\$ 9,205,957	\$ 19,124,636	\$ 28,330,593
<u>Net Assets</u>							
Restricted for:							
General government					\$ 2,018,918	\$ -	\$ 2,018,918
Public safety					236,764	-	236,764
Highways and streets					398,968	-	398,968
Culture and recreation					24,078	-	24,078
Debt service					271,820	1,111,944	1,383,764
Capital outlay					651,355	-	651,355
Unrestricted					5,604,054	6,129,816	11,733,870
Total net assets					\$ 9,205,957	\$ 19,124,636	\$ 28,330,593

The notes to the financial statements are an integral part of this statement.

TOWN OF SCHERERVILLE  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2009

	General	Kennedy Tif Dist. Debt Serv.	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 6,183,663	\$ 2,959,110	\$ 3,890,678	\$ 13,033,451
Special assessments	-	-	13,289	13,289
Licenses and permits	376,511	-	24,171	400,682
Intergovernmental	550,263	-	1,568,950	2,119,213
Charges for services	252,038	-	2,680,513	2,932,551
Fines and forfeits	173,765	-	210,328	384,093
Interfund loans	1,800,000	801,312	1,633,802	4,235,114
Other	164,847	70,792	139,535	375,174
<b>Total receipts</b>	<u>9,501,087</u>	<u>3,831,214</u>	<u>10,161,266</u>	<u>23,493,567</u>
<b>Disbursements:</b>				
General government	7,425,476	-	2,099,804	9,525,280
Public safety	-	-	29,752	29,752
Highways and streets	-	-	1,292,764	1,292,764
Sanitation	-	-	1,642,819	1,642,819
Economic development	-	111,063	63,730	174,793
Culture and recreation	-	-	580,308	580,308
Interfund loans	50,000	801,312	2,578,900	3,430,212
Debt service:				
Principal	4,263,440	275,000	1,959,566	6,498,006
Interest	60,084	286,513	178,406	525,003
Capital outlay:				
General government	5,041	-	432,147	437,188
Highways and streets	-	-	674,941	674,941
Sanitation	-	-	39,217	39,217
Economic development	-	1,708,501	11,513	1,720,014
Culture and recreation	-	-	219	219
<b>Total disbursements</b>	<u>11,804,041</u>	<u>3,182,389</u>	<u>11,584,086</u>	<u>26,570,516</u>
Excess (deficiency) of receipts over disbursements	<u>(2,302,954)</u>	<u>648,825</u>	<u>(1,422,820)</u>	<u>(3,076,949)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	13,120	13,120
Transfers out	-	-	(13,120)	(13,120)
Other receipts	3,061,352	-	90,158	3,151,510
<b>Total other financing sources (uses)</b>	<u>3,061,352</u>	<u>-</u>	<u>90,158</u>	<u>3,151,510</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	758,398	648,825	(1,332,662)	74,561
Cash and investment fund balance - beginning	16,957	1,528,563	5,566,958	7,112,478
Cash and investment fund balance - ending	<u>\$ 775,355</u>	<u>\$ 2,177,388</u>	<u>\$ 4,234,296</u>	7,187,039
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:				
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				<u>2,018,918</u>
Net assets of governmental activities				<u>\$ 9,205,957</u>
<b>Cash and Investment Assets - Ending</b>				
Cash and investments	\$ 775,355	\$ 2,177,388	\$ 2,651,311	\$ 5,604,054
Restricted assets:				
Cash and investments	-	-	1,582,985	1,582,985
<b>Total cash and investment assets - ending</b>	<u>\$ 775,355</u>	<u>\$ 2,177,388</u>	<u>\$ 4,234,296</u>	<u>\$ 7,187,039</u>
<b>Cash and Investment Fund Balance - Ending</b>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 236,764	\$ 236,764
Highways and streets	-	-	398,968	398,968
Culture and recreation	-	-	24,078	24,078
Debt service	-	-	271,820	271,820
Capital outlay	-	-	651,355	651,355
Unrestricted	775,355	2,177,388	2,651,311	5,604,054
<b>Total cash and investment fund balance - ending</b>	<u>\$ 775,355</u>	<u>\$ 2,177,388</u>	<u>\$ 4,234,296</u>	<u>\$ 7,187,039</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF SCHERERVILLE  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2009

	Wastewater Utility	Water Utility	Totals	Internal Service Funds
<b>Operating receipts:</b>				
Unmetered/flat rate	\$ 271	\$ -	\$ 271	\$ -
Fire protection receipts	-	675,794	675,794	-
Fees	4,309,096	4,369,359	8,678,455	-
Charges for services	-	-	-	1,664,824
Interfund loan proceeds	4,877,094	1,343,682	6,220,776	-
Miscellaneous	120,183	90,478	210,661	28,248
<b>Total operating receipts</b>	<b>9,306,644</b>	<b>6,479,313</b>	<b>15,785,957</b>	<b>1,693,072</b>
<b>Operating disbursements:</b>				
Salaries and wages	1,898,687	1,098,111	2,996,798	-
Employee pensions and benefits	-	342,253	342,253	-
Purchased water	-	1,892,308	1,892,308	-
Sludge removal	86,244	-	86,244	-
Purchased power	561,564	68,388	629,952	-
Material and supplies	255,177	129,853	385,030	-
Contractual services	1,688,271	402,820	2,091,091	-
Rents	-	1,510	1,510	-
Insurance claims and expense	89,340	47,103	136,443	1,734,857
Refunds	116,826	69,629	186,455	-
Equipment and capital improvements	3,204,936	62,837	3,267,773	-
Interfund loans made/repaid	5,629,996	1,343,682	6,973,678	-
Miscellaneous	432,065	571,269	1,003,334	-
<b>Total operating disbursements</b>	<b>13,963,106</b>	<b>6,029,763</b>	<b>19,992,869</b>	<b>1,734,857</b>
<b>Excess (deficiency) of operating receipts over operating disbursements</b>	<b>(4,656,462)</b>	<b>449,550</b>	<b>(4,206,912)</b>	<b>(41,785)</b>
<b>Nonoperating receipts (disbursements):</b>				
Investment income	50,385	32,796	83,181	-
Net proceeds from borrowings	15,700,000	-	15,700,000	-
Refunds	1,958,020	113,538	2,071,558	-
Debt service of principal	(5,667,681)	(612,937)	(6,280,618)	-
Interest disbursements	(87,187)	(141,033)	(228,220)	-
<b>Total nonoperating receipts (disbursements)</b>	<b>11,953,537</b>	<b>(607,636)</b>	<b>11,345,901</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)</b>	<b>7,297,075</b>	<b>(158,086)</b>	<b>7,138,989</b>	<b>(41,785)</b>
<b>Cash and investment fund balance - beginning</b>	<b>7,750,861</b>	<b>4,234,786</b>	<b>11,985,647</b>	<b>2,060,703</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 15,047,936</b>	<b>\$ 4,076,700</b>	<b>\$ 19,124,636</b>	<b>\$ 2,018,918</b>
<b><u>Cash and Investment Assets - December 31</u></b>				
Cash and investments	\$ 2,462,400	\$ 3,667,416	\$ 6,129,816	\$ -
Restricted assets:				
Cash and investments	12,585,536	409,284	12,994,820	2,018,918
<b>Total cash and investment assets - December 31</b>	<b>\$ 15,047,936</b>	<b>\$ 4,076,700</b>	<b>\$ 19,124,636</b>	<b>\$ 2,018,918</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>				
Restricted for:				
Debt service	\$ 702,660	\$ 409,284	\$ 1,111,944	\$ -
Other purposes	11,882,876	-	11,882,876	2,018,918
Unrestricted	2,462,400	3,667,416	6,129,816	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 15,047,936</b>	<b>\$ 4,076,700</b>	<b>\$ 19,124,636</b>	<b>\$ 2,018,918</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF SCHERERVILLE  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2009

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Employer	\$ 33,188	
State	<u>173,804</u>	
Total contributions	<u>206,992</u>	
Interfund loans	51,200	
Total additions	<u>258,192</u>	
Deductions:		
Benefits	175,139	
Administrative and general	217	
Interfund loans	<u>103,200</u>	
Total deductions	<u>278,556</u>	
Excess (deficiency) of total additions over total deductions	(20,364)	
Cash and investment fund balance - beginning	<u>53,240</u>	
Cash and investment fund balance - ending	<u>\$ 32,876</u>	<u>\$ 470,083</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment.

The Town's financial reporting entity is composed of only the Primary Government.

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Kennedy tax incentive finance (TIF) district debt service fund accounts for the Kennedy TIF bond debt service payments, legal and accounting fees, engineering and consulting fees and contracts payments for improvements within the TIF district or areas servicing the TIF district.

The Town reports the following major enterprise funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the Town reports the following fund types:

The internal service fund accounts for life and medical benefits provided to other departments on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the 1925 police officers' pension plan, which accumulates resources for pension benefit payments.

Agency funds account for assets held by the Town as an agent for federal and state agencies and other local governmental entities, and serve as control of accounts for cash transactions during the time they are a liability to the Town.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town does not have a deposit policy for custodial credit risk. At December 31, 2009, the Town had deposit balances in the amount of \$13,732,423.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

As of December 31, 2009, the Town had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 13,552,763
Government sponsored enterprise	<u>1,205,625</u>
Total	<u>\$ 14,758,388</u>

Statutory Authorization for Investments

IC 5-13-9 authorizes the Town to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Town to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Town and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Town may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Town's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town must follow state statute and limit the stated final maturities of the investments to no more than two years. The Town does not have a formal investment policy for interest rate risk for investments.

Investment Type	Investment Maturities (in Years)	
	Less Than 1	1-2
U.S. treasuries and securities	\$ 13,552,763	\$ -
Government sponsored enterprise	805,500.00	400,125
Totals	\$ 14,358,263	\$ 400,125

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The Town does not have a formal investment policy for credit risk for investments.

Standard and Poor's Rating	Moody's Rating	Town's Investments Government Sponsored Enterprise
AAA	Aaa	\$ 1,205,625

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The Town held the following investments that were exposed to concentration of credit risk:

Issuer	2009
Federal Home Loan Banks	\$ 799,875

Foreign Currency Risk

The Town does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Other governmental funds	Other governmental funds	\$ 13,120

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

The Town has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Employee Benefit Fund, an internal service fund, where assets are set aside for claim settlements. The Town purchases commercial insurance for claims in excess of coverage provided by the fund. Amounts are paid into the Employee Benefit fund by all funds from which payroll is paid and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are paid by each fund with payroll and are determined by a percentage of total payroll to the payroll paid from that fund.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 1990, the Town joined with other governmental entities to form the Indiana Public Employer's Plan, Inc. (IPEP), a public entity risk pool currently operating as a common risk management and insurance program for 618 member governmental entities. The purpose of the

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

risk pool is to provide a medium for the funding and administration of Job related illnesses or injuries to employees. The Town pays an annual premium to the risk pool for its Job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$600,000 limit.

B. Holding Corporation

The Town has entered into a capital lease with Schererville Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the year 2009 totaled \$1,019,500.

C. Subsequent Events

Due to delays caused by trending of assessments, the assessed valuations of Lake County were not finalized by February 15, 2009, as required. Therefore, the 2008 pay 2009 property tax rates and levies, as well as related budget orders for 2009, were not established until July 31, 2009. The taxes were billed and collected in late 2009. Final distribution of the taxes collected received by the Town in January 2010.

D. Termination Benefits

One week of salary for each year of employment was provided to three terminated employees, which was a one-time transaction for 2009. The total cost of the benefit for the year ended December 31, 2009 was \$94,732.

E. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Employee Benefit Fund (which is the Town's self-insured plan for medical benefits) is a single-employer defined benefit healthcare plan administered by Tom Lundeberg. The plan provides Medical, Dental and Vision benefits to eligible retirees and their spouses. Ordinances 1755 and 1758 assign the authority to establish and amend benefit provisions to the Town.

Funding Policy

The contribution requirements of plan members for the Employee Benefit Fund (which is the Town's self-insured plan for medical benefits) are established by the Town's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2009, the Town contributed \$2,375 to the plan for current premiums (approximately 96% of total premiums). Plan members receiving benefits contributed \$100, or approximately 4% of the total premiums, through their required contribution of \$40 per month for retiree-only coverage and \$65 for retiree and spouse coverage.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Rate Structure – Enterprise Funds

Water Utility

The Utility was granted approval by the Indiana Utility Regulatory Commission to increase rates. The increase became effective January 17, 2008, and amounted to approximately a 1.5% increase to all customers.

Wastewater Utility

The current rate structure was approved by the Town Council on August 12, 2009.

G. Receipts Pledged

Wastewater Utility Receipts Pledged

The Town has pledged future user fees receipts, net of specified operating expenditures, to repay revenue bonds issued on September 17, 2009. Proceeds from the bonds provided financing for the Southeast Sewer Interceptor Project No. 2 and for four Projects to upgrade the Waste Water Treatment Plant. The bonds are payable solely from user fees net receipts and are payable through 2029. Annual principal and interest payments are expected to require less than 13.5% of net receipts.

H. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the Town during the period were \$324,170.

b. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The contributions made by the Town during the period were \$33,144.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

TOWN OF SCHERERVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan during the period were \$635,340.

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009

	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Parks And Recreation	Major Moves Construction	Excess Welfare Distribution	Lake County Gaming Tax
<b>Receipts:</b>							
Taxes	\$ 398,074	\$ -	\$ -	\$ 545,514	\$ -	\$ -	\$ 340,536
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	13,480	-	-	-	-
Intergovernmental	648,366	219,252	-	39,938	-	173,239	-
Charges for services	5,136	-	23,575	52,516	-	-	-
Fines and forfeits	-	-	7,390	-	-	-	-
Interfund loans	-	-	-	638,000	-	-	-
Other	52,300	-	-	2,816	-	-	-
<b>Total receipts</b>	<b>1,103,876</b>	<b>219,252</b>	<b>44,445</b>	<b>1,278,784</b>	<b>-</b>	<b>173,239</b>	<b>340,536</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	387,183
Public safety	-	-	29,752	-	-	-	-
Highways and streets	1,190,844	101,920	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	580,308	-	-	-
Interfund loans	-	-	-	675,000	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	12,417
Highways and streets	490	389,946	-	-	284,505	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	219	-	-	-
<b>Total disbursements</b>	<b>1,191,334</b>	<b>491,866</b>	<b>29,752</b>	<b>1,255,527</b>	<b>284,505</b>	<b>-</b>	<b>399,600</b>
Excess (deficiency) of receipts over disbursements	(87,458)	(272,614)	14,693	23,257	(284,505)	173,239	(59,064)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	6,333	-	800	210	-	-	10,000
<b>Total other financing sources (uses)</b>	<b>6,333</b>	<b>-</b>	<b>800</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>10,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,125)	(272,614)	15,493	23,467	(284,505)	173,239	(49,064)
Cash and investment fund balance - beginning	150,656	477,410	43,992	48,483	478,677	-	440,698
Cash and investment fund balance - ending	\$ 69,531	\$ 204,796	\$ 59,485	\$ 71,950	\$ 194,172	\$ 173,239	\$ 391,634
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 69,531	\$ -	\$ -	\$ 71,950	\$ -	\$ -	\$ 391,634
Restricted assets:							
Cash and investments	-	204,796	59,485	-	194,172	173,239	-
<b>Total cash and investment assets - ending</b>	<b>\$ 69,531</b>	<b>\$ 204,796</b>	<b>\$ 59,485</b>	<b>\$ 71,950</b>	<b>\$ 194,172</b>	<b>\$ 173,239</b>	<b>\$ 391,634</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 59,485	\$ -	\$ -	\$ 173,239	\$ -
Highways and streets	-	204,796	-	-	194,172	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	69,531	-	-	71,950	-	-	391,634
<b>Total cash and investment fund balance - ending</b>	<b>\$ 69,531</b>	<b>\$ 204,796</b>	<b>\$ 59,485</b>	<b>\$ 71,950</b>	<b>\$ 194,172</b>	<b>\$ 173,239</b>	<b>\$ 391,634</b>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Penny/Greenwy Bike Trail	Hidta Revenue N/R Fund	Farmers' Market N/R Fund	Schererville Newspaper Fund	Donation Fund	U.S. Postage Stamp Fund	Central Purchasing Fund
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	21,000	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	6,875	6,120	33,616	4,139	-
<b>Total receipts</b>	<b>21,000</b>	<b>-</b>	<b>6,875</b>	<b>6,120</b>	<b>33,616</b>	<b>4,139</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	21,657	7,198	3,940	39,760	4,100	190
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>21,657</b>	<b>7,198</b>	<b>3,940</b>	<b>39,760</b>	<b>4,100</b>	<b>190</b>
Excess (deficiency) of receipts over disbursements	21,000	(21,657)	(323)	2,180	(6,144)	39	(190)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	1,108	-	-	-	-	657
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,108</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>657</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,000	(20,549)	(323)	2,180	(6,144)	39	467
Cash and investment fund balance - beginning	41,127	83,461	7,102	460	74,510	431	8,298
Cash and investment fund balance - ending	<u>\$ 62,127</u>	<u>\$ 62,912</u>	<u>\$ 6,779</u>	<u>\$ 2,640</u>	<u>\$ 68,366</u>	<u>\$ 470</u>	<u>\$ 8,765</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 62,127	\$ 62,912	\$ 6,779	\$ 2,640	\$ 68,366	\$ 470	\$ 8,765
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 62,127</b>	<b>\$ 62,912</b>	<b>\$ 6,779</b>	<b>\$ 2,640</b>	<b>\$ 68,366</b>	<b>\$ 470</b>	<b>\$ 8,765</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	62,127	62,912	6,779	2,640	68,366	470	8,765
<b>Total cash and investment fund balance - ending</b>	<b>\$ 62,127</b>	<b>\$ 62,912</b>	<b>\$ 6,779</b>	<b>\$ 2,640</b>	<b>\$ 68,366</b>	<b>\$ 470</b>	<b>\$ 8,765</b>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Deposits N/R Escrow Fund	Clerk's Perpetuation Fund	Spec. Deferral Prog. Fund	Adult Probation Serv. Fund	Public Defender Fund	Cable Tv	Stormwater Permit Fee N/R
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,773	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	8,980
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	318,346	-
Fines and forfeits	-	7,070	83,714	64,613	11,082	-	-
Interfund loans	-	-	-	-	-	-	-
Other	1,670	-	-	-	-	354	-
Total receipts	<u>1,670</u>	<u>7,070</u>	<u>83,714</u>	<u>64,613</u>	<u>11,082</u>	<u>323,473</u>	<u>8,980</u>
Disbursements:							
General government	1,400	3,447	115,170	56,961	6,250	301,841	25
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	<u>1,400</u>	<u>3,447</u>	<u>115,170</u>	<u>56,961</u>	<u>6,250</u>	<u>301,841</u>	<u>25</u>
Excess (deficiency) of receipts over disbursements	<u>270</u>	<u>3,623</u>	<u>(31,456)</u>	<u>7,652</u>	<u>4,832</u>	<u>21,632</u>	<u>8,955</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	190	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>270</u>	<u>3,623</u>	<u>(31,456)</u>	<u>7,652</u>	<u>4,832</u>	<u>21,822</u>	<u>8,955</u>
Cash and investment fund balance - beginning	<u>400</u>	<u>1,119</u>	<u>51,585</u>	<u>11,005</u>	<u>4,150</u>	<u>398,085</u>	<u>30,381</u>
Cash and investment fund balance - ending	<u>\$ 670</u>	<u>\$ 4,742</u>	<u>\$ 20,129</u>	<u>\$ 18,657</u>	<u>\$ 8,982</u>	<u>\$ 419,907</u>	<u>\$ 39,336</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 670	\$ 4,742	\$ 20,129	\$ 18,657	\$ 8,982	\$ 419,907	\$ 39,336
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 670</u>	<u>\$ 4,742</u>	<u>\$ 20,129</u>	<u>\$ 18,657</u>	<u>\$ 8,982</u>	<u>\$ 419,907</u>	<u>\$ 39,336</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	<u>670</u>	<u>4,742</u>	<u>20,129</u>	<u>18,657</u>	<u>8,982</u>	<u>419,907</u>	<u>39,336</u>
Total cash and investment fund balance - ending	<u>\$ 670</u>	<u>\$ 4,742</u>	<u>\$ 20,129</u>	<u>\$ 18,657</u>	<u>\$ 8,982</u>	<u>\$ 419,907</u>	<u>\$ 39,336</u>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Ambulance Service	Spec. Amb. Equip. N/R	Fire Equip Fund	Emt Fund	Police Equipment Fund	Asset Forfeiture-Federal	Asset Seizure
<b>Receipts:</b>							
Taxes	\$ 240,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	17,148	-	-	-	-	49,826	-
Charges for services	389,908	-	6,350	170	23,860	-	-
Fines and forfeits	-	-	-	-	16,134	-	-
Interfund loans	-	-	-	-	-	-	-
Other	329	-	11,130	-	3,600	41	-
<b>Total receipts</b>	<b>647,988</b>	<b>-</b>	<b>17,480</b>	<b>170</b>	<b>43,594</b>	<b>49,867</b>	<b>-</b>
<b>Disbursements:</b>							
General government	734,353	1,577	1,577	-	14,915	25,253	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	205	6,044	8,564	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>734,558</b>	<b>7,621</b>	<b>10,141</b>	<b>-</b>	<b>14,915</b>	<b>25,253</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(86,570)	(7,621)	7,339	170	28,679	24,614	-
<b>Other financing sources (uses):</b>							
Transfers in	-	8,120	-	-	-	-	-
Transfers out	(8,120)	-	-	-	-	-	-
Other receipts	-	-	-	-	647	1,000	-
<b>Total other financing sources (uses)</b>	<b>(8,120)</b>	<b>8,120</b>	<b>-</b>	<b>-</b>	<b>647</b>	<b>1,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(94,690)	499	7,339	170	29,326	25,614	-
Cash and investment fund balance - beginning	123,807	32,047	11,555	357	18,660	19,509	365
Cash and investment fund balance - ending	\$ 29,117	\$ 32,546	\$ 18,894	\$ 527	\$ 47,986	\$ 45,123	\$ 365
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 29,117	\$ 32,546	\$ 18,894	\$ 527	\$ 47,986	\$ 45,123	\$ 365
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 29,117</b>	<b>\$ 32,546</b>	<b>\$ 18,894</b>	<b>\$ 527</b>	<b>\$ 47,986</b>	<b>\$ 45,123</b>	<b>\$ 365</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	29,117	32,546	18,894	527	47,986	45,123	365
<b>Total cash and investment fund balance - ending</b>	<b>\$ 29,117</b>	<b>\$ 32,546</b>	<b>\$ 18,894</b>	<b>\$ 527</b>	<b>\$ 47,986</b>	<b>\$ 45,123</b>	<b>\$ 365</b>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Asset Forfeiture-State	Police Training Fund	Park Impact Fee Fund	Park Non-Reverting Fund	Park Dist Bonds Of 2004	Drainage Fund
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,461
Special assessments	-	-	13,289	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,675	-	-	-	-	2,395
Charges for services	-	-	-	139,618	-	-
Fines and forfeits	-	20,325	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	3	-	-	-	44	-
<b>Total receipts</b>	<b>2,678</b>	<b>20,325</b>	<b>13,289</b>	<b>139,618</b>	<b>44</b>	<b>35,856</b>
<b>Disbursements:</b>						
General government	-	3,643	62,442	145,672	4,432	12,660
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	188,088	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,643</b>	<b>250,530</b>	<b>145,672</b>	<b>4,432</b>	<b>12,660</b>
Excess (deficiency) of receipts over disbursements	2,678	16,682	(237,241)	(6,054)	(4,388)	23,196
<b>Other financing sources (uses):</b>						
Transfers in	-	-	5,000	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	9,051	-	1,976
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>9,051</b>	<b>-</b>	<b>1,976</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,678	16,682	(232,241)	2,997	(4,388)	25,172
Cash and investment fund balance - beginning	408	16,178	282,490	29,520	21,329	12,971
Cash and investment fund balance - ending	<u>\$ 3,086</u>	<u>\$ 32,860</u>	<u>\$ 50,249</u>	<u>\$ 32,517</u>	<u>\$ 16,941</u>	<u>\$ 38,143</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 3,086	\$ 32,860	\$ 50,249	\$ 32,517	\$ -	\$ 38,143
Restricted assets:						
Cash and investments	-	-	-	-	16,941	-
<b>Total cash and investment assets - ending</b>	<b>\$ 3,086</b>	<b>\$ 32,860</b>	<b>\$ 50,249</b>	<b>\$ 32,517</b>	<b>\$ 16,941</b>	<b>\$ 38,143</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	16,941	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	3,086	32,860	50,249	32,517	-	38,143
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,086</b>	<b>\$ 32,860</b>	<b>\$ 50,249</b>	<b>\$ 32,517</b>	<b>\$ 16,941</b>	<b>\$ 38,143</b>

TOWN OF SCHERERVILLE  
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 For The Year Ended December 31, 2009  
 (Continued)

	Police Grants Fund	Schererville Safe Kids Chapter	Hidta Fund	Video Fund	Impact Fees Fund	Solid Waste Management
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,060	-	-	-	-	159,872
Charges for services	-	-	-	3,600	-	1,677,057
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	3,408	85	-	-	-
<b>Total receipts</b>	<b>4,060</b>	<b>3,408</b>	<b>85</b>	<b>3,600</b>	<b>-</b>	<b>1,836,929</b>
<b>Disbursements:</b>						
General government	-	4,706	71,056	790	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	1,642,819
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	4,744	-	-	1,213	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	39,217
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,744</b>	<b>4,706</b>	<b>71,056</b>	<b>2,003</b>	<b>-</b>	<b>1,682,036</b>
Excess (deficiency) of receipts over disbursements	(684)	(1,298)	(70,971)	1,597	-	154,893
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	7,747	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,747</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(684)	(1,298)	(63,224)	1,597	-	154,893
Cash and investment fund balance - beginning	4,724	2,884	63,224	22,097	21,789	503,461
Cash and investment fund balance - ending	<u>\$ 4,040</u>	<u>\$ 1,586</u>	<u>\$ -</u>	<u>\$ 23,694</u>	<u>\$ 21,789</u>	<u>\$ 658,354</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 1,586	\$ -	\$ 23,694	\$ 21,789	\$ 658,354
Restricted assets:						
Cash and investments	4,040	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 4,040</b>	<b>\$ 1,586</b>	<b>\$ -</b>	<b>\$ 23,694</b>	<b>\$ 21,789</b>	<b>\$ 658,354</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Public safety	\$ 4,040	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	1,586	-	23,694	21,789	658,354
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,040</b>	<b>\$ 1,586</b>	<b>\$ -</b>	<b>\$ 23,694</b>	<b>\$ 21,789</b>	<b>\$ 658,354</b>

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 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2009  
 (Continued)

	Improvement Inspection Fee N/R	Subdv. Revenue Prof. Fee N/R	Park Grant Fund N/R	Wtrworks Bond Debt Serv.	Park Dist Bond Debt Serv	G.O. Bond/Bridge Debt Serv
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 136,121	\$ 197,456
Special assessments	-	-	-	-	-	-
Licenses and permits	1,711	-	-	-	-	-
Intergovernmental	-	-	29,487	-	11,004	17,017
Charges for services	-	19,377	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	56,700	258,102
Other	-	-	-	-	-	-
Total receipts	<u>1,711</u>	<u>19,377</u>	<u>29,487</u>	<u>-</u>	<u>203,825</u>	<u>472,575</u>
Disbursements:						
General government	21,402	17,930	17,350	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	136,600	262,300
Debt service:						
Principal	-	-	-	-	102,794	184,238
Interest	-	-	-	-	36,894	23,438
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	<u>21,402</u>	<u>17,930</u>	<u>17,350</u>	<u>-</u>	<u>276,288</u>	<u>469,976</u>
Excess (deficiency) of receipts over disbursements	<u>(19,691)</u>	<u>1,447</u>	<u>12,137</u>	<u>-</u>	<u>(72,463)</u>	<u>2,599</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(5,000)	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,691)</u>	<u>1,447</u>	<u>7,137</u>	<u>-</u>	<u>(72,463)</u>	<u>2,599</u>
Cash and investment fund balance - beginning	<u>30,008</u>	<u>495</u>	<u>-</u>	<u>27,144</u>	<u>102,838</u>	<u>104,239</u>
Cash and investment fund balance - ending	<u>\$ 10,317</u>	<u>\$ 1,942</u>	<u>\$ 7,137</u>	<u>\$ 27,144</u>	<u>\$ 30,375</u>	<u>\$ 106,838</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 10,317	\$ 1,942	\$ -	\$ 27,144	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	7,137	-	30,375	106,838
Total cash and investment assets - ending	<u>\$ 10,317</u>	<u>\$ 1,942</u>	<u>\$ 7,137</u>	<u>\$ 27,144</u>	<u>\$ 30,375</u>	<u>\$ 106,838</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	7,137	-	-	-
Debt service	-	-	-	-	30,375	106,838
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>10,317</u>	<u>1,942</u>	<u>-</u>	<u>27,144</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 10,317</u>	<u>\$ 1,942</u>	<u>\$ 7,137</u>	<u>\$ 27,144</u>	<u>\$ 30,375</u>	<u>\$ 106,838</u>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Redev District Bond Debt Serv	Building Corporation Lease	Storm Sewer Bond Debt Serv	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Totals
<b>Receipts:</b>						
Taxes	\$ 258,614	\$ 991,621	\$ 155,824	\$ -	\$ 588,081	\$ 3,890,678
Special assessments	-	-	-	-	-	13,289
Licenses and permits	-	-	-	-	-	24,171
Intergovernmental	18,975	70,729	11,829	37,473	55,665	1,568,950
Charges for services	-	-	-	-	-	2,680,513
Fines and forfeits	-	-	-	-	-	210,328
Interfund loans	93,900	561,400	25,700	-	-	1,633,802
Other	-	-	-	-	13,005	139,535
<b>Total receipts</b>	<b>371,489</b>	<b>1,623,750</b>	<b>193,353</b>	<b>37,473</b>	<b>656,751</b>	<b>10,161,266</b>
<b>Disbursements:</b>						
General government	-	-	-	-	10,924	2,099,804
Public safety	-	-	-	-	-	29,752
Highways and streets	-	-	-	-	-	1,292,764
Sanitation	-	-	-	-	-	1,642,819
Economic development	-	-	-	63,730	-	63,730
Culture and recreation	-	-	-	-	-	580,308
Interfund loans	278,400	1,105,400	121,200	-	-	2,578,900
Debt service:						
Principal	195,000	1,019,500	150,000	-	308,034	1,959,566
Interest	72,845	-	8,433	-	36,796	178,406
Capital outlay:						
General government	-	-	-	-	210,872	432,147
Highways and streets	-	-	-	-	-	674,941
Sanitation	-	-	-	-	-	39,217
Economic development	-	-	-	11,513	-	11,513
Culture and recreation	-	-	-	-	-	219
<b>Total disbursements</b>	<b>546,245</b>	<b>2,124,900</b>	<b>279,633</b>	<b>75,243</b>	<b>566,626</b>	<b>11,584,086</b>
Excess (deficiency) of receipts over disbursements	(174,756)	(501,150)	(86,280)	(37,770)	90,125	(1,422,820)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	13,120
Transfers out	-	-	-	-	-	(13,120)
Other receipts	-	-	-	-	50,439	90,158
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,439</b>	<b>90,158</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(174,756)	(501,150)	(86,280)	(37,770)	140,564	(1,332,662)
Cash and investment fund balance - beginning	232,882	509,087	154,824	355,245	510,791	5,566,958
Cash and investment fund balance - ending	\$ 58,126	\$ 7,937	\$ 68,544	\$ 317,475	\$ 651,355	\$ 4,234,296
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ 317,475	\$ -	\$ 2,651,311
Restricted assets:						
Cash and investments	58,126	7,937	68,544	-	651,355	1,582,985
<b>Total cash and investment assets - ending</b>	<b>\$ 58,126</b>	<b>\$ 7,937</b>	<b>\$ 68,544</b>	<b>\$ 317,475</b>	<b>\$ 651,355</b>	<b>\$ 4,234,296</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,764
Highways and streets	-	-	-	-	-	398,968
Culture and recreation	-	-	-	-	-	24,078
Debt service	58,126	7,937	68,544	-	-	271,820
Capital outlay	-	-	-	-	651,355	651,355
Unrestricted	-	-	-	317,475	-	2,651,311
<b>Total cash and investment fund balance - ending</b>	<b>\$ 58,126</b>	<b>\$ 7,937</b>	<b>\$ 68,544</b>	<b>\$ 317,475</b>	<b>\$ 651,355</b>	<b>\$ 4,234,296</b>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009

	Payroll	Payroll Withholding Federal	Payroll Withholding State	Payroll Withholding Insurance	Payroll Withholding U.S. Bonds	Payroll Withholdings Union Dues	Payroll Withholding Uniforms
Additions:							
Agency fund additions	\$ 9,416,066	\$ 1,048,918	\$ 294,243	\$ 125,349	\$ 10,939	\$ 5,040	\$ 799
Deductions:							
Agency fund deductions	<u>9,415,918</u>	<u>1,048,958</u>	<u>294,223</u>	<u>125,349</u>	<u>10,939</u>	<u>5,446</u>	<u>1,586</u>
Excess (deficiency) of total additions over total deductions	148	(40)	20	-	-	(406)	(787)
Cash and investment fund balance - beginning	<u>1,177</u>	<u>6,325</u>	<u>5,340</u>	<u>361</u>	<u>-</u>	<u>406</u>	<u>1,978</u>
Cash and investment fund balance - ending	<u>\$ 1,325</u>	<u>\$ 6,285</u>	<u>\$ 5,360</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191</u>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Payroll Withholding Police Pension	Payroll Withholding Fica/Medicare	Payroll Withholding P.E.R.F.	Payroll Withholding I.S.P.P	Payroll Withholding I.S.F.P	Payroll Withholding C.U.#1-Police	Payroll Withholding C.U.#2-Employee
Additions:							
Agency fund additions	\$ -	\$ 867,260	\$ 139,235	\$ 160,568	\$ 39,159	\$ -	\$ 6,850
Deductions:							
Agency fund deductions	-	867,260	135,424	156,266	38,687	-	6,850
Excess (deficiency) of total additions over total deductions	-	-	3,811	4,302	472	-	-
Cash and investment fund balance - beginning	4,286	11,852	34,082	33,596	10,448	-	-
Cash and investment fund balance - ending	<u>\$ 4,286</u>	<u>\$ 11,852</u>	<u>\$ 37,893</u>	<u>\$ 37,898</u>	<u>\$ 10,920</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF SCHERERVILLE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Payroll Withholding Garnishee	Payroll Withholding Deferred Sav	Payroll Withholding Cagit	Payroll Withholding Aflac	Scherville Town Court	Totals
Additions:						
Agency fund additions	\$ 110,270	\$ 138,950	\$ 4,859	\$ 95,098	\$ 1,053,995	\$ 13,517,598
Deductions:						
Agency fund deductions	<u>110,270</u>	<u>139,005</u>	<u>4,859</u>	<u>91,149</u>	<u>1,102,757</u>	<u>13,554,946</u>
Excess (deficiency) of total additions over total deductions	-	(55)	-	3,949	(48,762)	(37,348)
Cash and investment fund balance - beginning	<u>35</u>	<u>1,175</u>	<u>162</u>	<u>4,705</u>	<u>391,503</u>	<u>507,431</u>
Cash and investment fund balance - ending	<u>\$ 35</u>	<u>\$ 1,120</u>	<u>\$ 162</u>	<u>\$ 8,654</u>	<u>\$ 342,741</u>	<u>\$ 470,083</u>

TOWN OF SCHERERVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,576,010
Infrastructure	50,463,563
Buildings	11,037,680
Improvements other than buildings	14,656,286
Machinery and equipment	10,379,146
Construction in progress	<u>6,667,423</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>96,780,108</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 272,887
Construction in progress	2,814,828
Buildings	3,793,058
Improvements other than buildings	5,999,451
Machinery and equipment	848,945
Infrastructure	<u>20,514,970</u>
 Total Water Utility capital assets	 <u>34,244,139</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	96,398
Construction in progress	10,685,367
Buildings	7,473,444
Improvements other than buildings	3,323,491
Machinery and equipment	2,513,549
Infrastructure	16,272,495
Treatment Plant	<u>10,548,855</u>
 Total Wastewater Utility capital assets	 <u>50,913,599</u>
Total business-type activities capital assets	 \$ <u>85,157,738</u>

TOWN OF SCHERERVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2002 Town Hall/Police Station	\$ 8,615,000	\$ 1,021,500
2006 Ambulance/Mower/Schedule 1	-	-
2007 Trucks/Police Cars/Schedule 2	70,974	73,898
2007 Freightliner/Fire Vehicles/Schedule 3	72,049	75,373
2008 HELP Lease/Vehicles & Equipment	880,093	216,922
2009 Fire Truck	739,137	166,538
Notes and loans payable	-	-
Bonds payable:		
General obligation bonds:		
2003 Storm Sewer Bond	160,000	162,360
2003 Redevelopment Bond/Roads	1,780,000	268,745
2004 Park District Bond/Purchase Land	1,715,000	141,588
2004 77th Avenue Bridge Bond	1,220,000	212,188
2005 TIF District Redevelopment Bond	<u>6,345,000</u>	<u>561,013</u>
Total governmental activities debt	<u>\$ 21,597,253</u>	<u>\$ 2,900,125</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1999 Water District Improvement Bonds	<u>\$ 2,135,000</u>	<u>\$ 259,485</u>
Total Water Utility	<u>2,135,000</u>	<u>259,485</u>
Wastewater Utility:		
Notes and Loans Payable:		
Schererville Sewer SRF Loan 2001-2004	1,465,000	145,381
SRF Waste Water Scenario E	6,700,000	363,917
Sewage Works Revenue BAN, Series 2009	<u>6,500,000</u>	<u>243,750</u>
Total Wastewater Utility	<u>14,665,000</u>	<u>753,048</u>
Total business-type activities debt:	<u>\$ 16,800,000</u>	<u>\$ 1,012,533</u>

TOWN OF SCHERERVILLE  
AUDIT RESULTS AND COMMENTS

TIMELY RECORDKEEPING

The bank reconcilements for the Town contained adjustments that had not been posted to the records as of December 31, 2009. The noted adjustments were dated prior to December 31, 2008.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PETROLEUM CONTRACT

The Town purchased petroleum supplies from various vendors during 2009 on a month to month basis. Each month the purchasing agent solicited quotes from a number of vendors. The Town then purchased petroleum from the lowest quoter for that month. The Town historically does not enter into formal contracts for petroleum supplies. This was a comment in the prior report.

A purchasing agent shall follow competitive bidding procedures in awarding a contract for supplies, unless another purchasing method is required or authorized by Indiana Code 5-22-17-1.

A purchasing agent may award a contract for petroleum products to the lowest responsible and responsive offeror or all responsible and responsive offerors. The contract may allow for the escalation or de-escalation of price. The purchasing agent must purchase the petroleum products from the lowest of the responsible and responsive bidders. The contract must provide that the bidder from whom petroleum products are being purchased shall provide five business days written notice of any change in price. Upon receipt of written notice, the purchasing agent shall request current price quotes in writing based upon terms and conditions of the original offer (as awarded) from all successful responsible and responsive offerors. The purchasing agent shall record the quotes in minutes or memoranda. The purchasing agent shall purchase the petroleum products from the lowest responsible and responsive offeror, taking into account the price change of the current supplier and the price quotes of the other responsible and responsive offerors. [IC 5-22-17-10] (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS - COURT

Bank reconcilements have not been completed on a regular basis. The bank reconciliation for December 2009 had not been performed as of the end of February, 2010.

IC (IC) 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns Courts, Chapter 4)

TOWN OF SCHERERVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

CASH BOND BALANCES - COURT

The cash bonds balance per the Town Court's Account Balance Listing (ABL) did not reconcile to the Cash Bonds per Open Items Listing balance at December 31, 2009. The Account Balance Listing at December 31, 2009, was \$279,189.50; however the balance for Cash Bonds per Open Items Listing was \$280,539.50 for a difference of \$1,350.00. The Town Court has been reviewing the cash bonds and has reduced the difference between the Account Balance Listing and the Open Items Listing since 2008.

Additionally, several older bonds were observed as outstanding in the manual cash bond register that were not posted in the Cash Bonds per Open Items Listing balance. The Cash Bonds per Open Items Listing balance is the official record; unresolved differences with the older bonds contribute to problems in reconciling the bank balances.

The total of all unpaid items as shown by the trust fund register must agree with the balance in trust as shown by the court cash book. (Accounting and Uniform Compliance Guidelines for City and Town Courts, Chapter 1)

BOND FORFEITURE - COURT

The Town Court has been holding bond deposits since 2000. Indiana Code requires the court to forfeit bonds when a defendant fails to appear in court and transfer the amount to the State Common School Fund.

IC 35-33-8-7 states that, if a defendant;

1. was admitted to bail under IC 35-33-8-3.2(a)(2); and
2. has failed to appear before the court as ordered; the court shall issue a warrant for the defendant's arrest.

In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under IC 35-33-8-3.2(a)(2) may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is any entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

Any proceeding concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

After a bond has been forfeited, the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was a justification for the defendant's failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

If a bond is forfeited and the court has entered a judgment, the clerk shall transfer to the state common school fund:

TOWN OF SCHERERVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

1. any amount remaining on deposit with the court (less the fees retained by the clerk); and
2. any amount collected in satisfaction of the judgment.

The amount transferred to the State Common School Fund shall be sent to the county auditor on a monthly basis as Bond Forfeitures. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 3)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Schererville (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The Town's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 14, 2010

TOWN OF SCHERERVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
Direct grant			
High Intensity Drug Trafficking Area (HIDTA)	07.XXX	18PLCP502Z	\$ 45,879
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct grant			
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251		
Rohrman Park renovation and construction		B-08-SP-IN-0403	13,850
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	2W-00E73001-0	929,803
Total federal awards expended			<u>\$ 989,532</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF SCHERERVILLE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Schererville (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

TOWN OF SCHERERVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
----------------	------------------------------------

66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds
--------	--

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF SCHERERVILLE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF SCHERERVILLE  
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2010, with Janice M. Malinowski, Clerk-Treasurer; Robert Volkmann, Town Manager; and Jerry Tippy, President of the Town Council. The official response has been made a part of this report and may be found on pages 49 and 50.

The contents of this report related to the Town Court were discussed on March 9, 2010, with Kenneth Anderson, Town Court Judge. The official response has been made a part of this report and may be found on page 51.



# TOWN OF SCHERERVILLE

Phone: (219) 322-2211  
Fax: (219) 865-5572

10 E. Joliet St. • Schererville, IN 46375  
Janice M. Malinowski, Clerk-Treasurer

April 22, 2010

State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, Indiana 46204-2765

"OFFICIAL RESPONSE"

**Re: Town of Schererville Year 2009 Audit Responses**

To Whom It May Concern:

The following are statements regarding Year 2009 Audit Responses for the Town of Schererville:

## TIMELY RECORDKEEPING

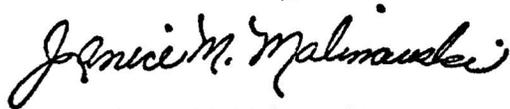
While the bank statements were reconciled to the fund in a timely manner, minor adjustments were not completed due to additional responsibilities as fiduciary for the Lake County HIDTA Program. Any material adjustments were completed immediately upon recognition. Steps are being addressed to reconcile all minor adjustments in a timely manner.

## PETROLEUM CONTRACT

The 2009 Audit by the Indiana State Board of Accounts contained comments referencing Schererville's fuel purchasing procedures and lack of a contract for same. Schererville has a bidding process that is followed each time that fuel is purchased for the various departments in the Town. When fuel is ordered we solicit quotes by fax from several fuel vendors for delivery the same day. The vendors are given a time, usually a couple of hours, to respond to the request and fax back their quote. After the cut off time the quotes received are tallied on a spread sheet and faxed back to all the vendors

that provided quotes. The lowest quote for the products requested is awarded the purchase that day. Our understanding was that the issuance of the request for quotes and award of the quote met the "contract" requirement, but now understand that it does not. After discussion with the auditor and reference to the correct state statute we are working with the Town's attorney to develop the contract which meets these statutory requirements. Our anticipation is that this issue will be resolved shortly.

Sincerely,

A handwritten signature in black ink that reads "Janice M. Malinowski". The signature is written in a cursive style with a large initial "J" and a distinct "M".

Janice M. Malinowski

Clerk-Treasurer

TOWN OF SCHERERVILLE



## Judge Kenneth L. Anderson

Schererville Town Court

(219) 865-5579  
Facsimile (219) 865-5525

25 East Joliet Street  
Schererville, Indiana 46375

March 17, 2010

State Board of Accounts  
302 W. Washington Street  
Room E 418  
Indianapolis, IN 46204-2765

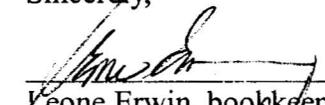
To whom it may concern;

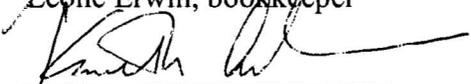
In response to the findings presented by the State Board of Accounts the following discrepancies have been addressed:

1. Regarding the unfinished bank reconciliations for 2009, beginning October 1, 2009 the court stopped using the manual cash book and began using Court View's financial program. Although the information for the bank balance was available, these reports could not be reconciled until the court resolved the cash bond discrepancy, a project that the court continued to work on into January of 2010. During this time the court was advised by Court View's staff to not start using their reconciliation process until that was complete. Now that the Court's most recent audit reflects that the bond monies issued had been addressed the court can begin using Court View for bank reconciliations.
2. Regarding the \$1,350.00 discrepancies between the Account Balance Listing and the Cash Bond Open Items History is the remaining amount left in open misdemeanors with unfound bond monies. After careful review Judge Anderson has decided to accept this amount as an unreconcilable discrepancy.
3. Regarding bond forfeitures, we are attempting to locate the defendants and complete the cases in question, and if not found the cases will be disposed and funds allocated appropriately.

All of the above listed discrepancies can be attributed to the ongoing learning curve that goes along with the transfer of computer systems from Key Court to Court View.

Sincerely,

  
Leone Erwin, bookkeeper

  
Kenneth L. Anderson, Judge