

B37838

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

EXAMINATION REPORT  
OF  
TOWN OF KINGSBURY  
LAPORTE COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
11/16/2010



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Laura Matchette

07-01-05 to 12-31-11

President of the  
Town Council

Jeff Matchette

01-01-08 to 12-31-10



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KINGSBURY, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Kingsbury (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 26, 2010

TOWN OF KINGSBURY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 32,449	\$ 33,186	\$ 44,972	\$ 20,663
Motor Vehicle Highway	28,085	6,483	22,000	12,568
Local Road and Street	7,104	2,767	4,722	5,149
Parks and Recreation	202	100	70	232
Riverboat	93,311	37,892	37,606	93,597
Major Moves Construction	18,249	1,451	-	19,700
Cumulative Capital Improvement	511	744	-	1,255
County Economic Development Income Tax	2,316	3,714	3,000	3,030
Totals	<u>\$ 182,227</u>	<u>\$ 86,337</u>	<u>\$ 112,370</u>	<u>\$ 156,194</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 20,663	\$ 36,795	\$ 38,198	\$ 19,260
Motor Vehicle Highway	12,568	6,372	-	18,940
Local Road and Street	5,149	2,669	1,920	5,898
Parks and Recreation	232	100	150	182
Riverboat	93,597	46,553	43,926	96,224
Major Moves Construction	19,700	385	-	20,085
Cumulative Capital Improvement	1,255	702	588	1,369
County Economic Development Income Tax	3,030	3,915	-	6,945
Totals	<u>\$ 156,194</u>	<u>\$ 97,491</u>	<u>\$ 84,782</u>	<u>\$ 168,903</u>

The accompanying notes are an integral part of the financial information.

TOWN OF KINGSBURY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and 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. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. 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).

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Town. It is undeterminable how much property tax collections the Town will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Town received their distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June 2010 and are due in two installments, July 9, 2010 and November 10, 2010.

TOWN OF KINGSBURY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Laura Matchette, June 20, 2007 to June 20, 2009  
Laura Matchette, June 20, 2009 to June 20, 2011

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2008	\$ 1,021.58
Riverboat	2008	1,824.52

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TIMELY DEPOSITS

As stated in the prior Reports B27221 and B33627, numerous receipts were deposited later than the next business day (as much as 97 days).

IC 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the investment activity in the Riverboat and the Major Moves Construction Funds. The ending amount per the banks did not agree with what was reported on the Annual Report (CTAR).

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, Chapter 7)

TOWN OF KINGSBURY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTEREST ON INVESTMENTS

Interest earned on CD investments was automatically added to the principal and not recorded in the records for the Riverboat and the Major Moves Construction Funds.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PRESCRIBED FORMS

The following prescribed or approved forms were not in use:

Form 211 - Capital Assets Ledger  
Form 350 - Investment Register

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF KINGSBURY  
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2010, with Laura Matchette, Clerk-Treasurer; and Carol McMahon, Vice President of the Town Council. The officials concurred with our findings.