

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF LADOGA
MONTGOMERY COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
04/18/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Viki L. Powers	01-01-08 to 12-31-15
President of the Town Council	Sandra E. Powers James B. Cox	01-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LADOGA, MONTGOMERY COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Ladoga (Town), for the years ended December 31, 2010 and 2011. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. 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 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 15, 2012, 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 an opinion on the Town's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

March 15, 2012



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AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
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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 LADOGA, MONTGOMERY COUNTY, INDIANA

We have audited the financial statements of the Town of Ladoga (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated March 15, 2012. 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 opinion 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

March 15, 2012

FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF LADOGA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 183,235	\$ 290,117	\$ 224,805	\$ 248,547
Motor Vehicle Highway	67,193	79,729	88,051	58,871
Local Road And Street	7,314	9,749	5,000	12,063
Riverboat Revenue	6,584	19,552	13,000	13,136
Rainy Day	9,863	34,584	6,000	38,447
Local Law	2,969	2,753	3,680	2,042
CJI Grant Fund	-	75,058	75,058	-
Levy Excess	314	266	-	580
Cumulative Capital Development	55,662	40,097	72,661	23,098
Cumulative Capital Improvement	2,635	16,068	13,000	5,703
Payroll	4,455	245,167	245,222	4,400
HRA Insurance Savings Account	1,000	16,025	13,179	3,846
Electric	187,585	1,002,537	841,756	348,366
Electric Consumer Deposit	27,669	8,100	5,838	29,931
Storm Water	18,831	28,821	19,272	28,380
Trash	4,739	46,404	41,017	10,126
Sewer	44,362	349,309	330,175	63,496
BONY Sewer Bond & Interest	4,608	19,437	7,456	16,589
Sewer Const	2,011	2	2,013	-
BONY Sewer Debt Service Reserve	57,483	16,143	55,000	18,626
Water	148,978	174,942	142,570	181,350
Water Consumer Deposit	10,684	3,950	2,840	11,794
Totals	<u>\$ 848,174</u>	<u>\$ 2,478,810</u>	<u>\$ 2,207,593</u>	<u>\$ 1,119,391</u>

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

TOWN OF LADOGA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 248,547	\$ 290,572	\$ 307,846	\$ 231,273
Motor Vehicle Highway	58,871	59,262	65,958	52,175
Local Road And Street	12,063	11,670	12,110	11,623
CDBG Planning Grant - Downtown Revitalization	-	50,000	50,000	-
Riverboat Revenue	13,136	6,552	11,996	7,692
Rainy Day	38,447	15,065	30,000	23,512
Levy Excess	580	-	-	580
Cumulative Capital Development	23,098	11,214	11,000	23,312
CFF Grant Fund - Fire Station	-	622,100	593,808	28,292
Cumulative Capital Improvement	5,703	3,008	-	8,711
Local Law	2,042	908	260	2,690
Payroll	4,400	257,199	256,484	5,115
HRA Insurance Savings Account	3,846	9,432	11,436	1,842
Electric	348,366	885,909	912,933	321,342
Electric Consumer Deposit	29,931	9,900	10,417	29,414
Storm Water	28,380	121,761	98,135	52,006
Trash	10,126	47,574	42,370	15,330
Sewer	63,496	256,177	224,139	95,534
BONY Sewer Bond & Interest	16,589	44,000	25,607	34,982
BONY Sewer Debt Service Reserve	18,626	-	-	18,626
Water	181,350	170,612	148,561	203,401
Water Consumer Deposit	11,794	2,850	3,288	11,356
Totals	<u>\$ 1,119,391</u>	<u>\$ 2,875,765</u>	<u>\$ 2,816,348</u>	<u>\$ 1,178,808</u>

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

TOWN OF LADOGA
NOTES TO FINANCIAL STATEMENTS

Note 1. 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 some or all of 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, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF LADOGA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF LADOGA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF LADOGA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. *Risk Management*

The Town may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

Note 6. *Pension Plan*

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this 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 members' contributions, set by state statute at 3 percent 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. That report may be obtained by contacting:

TOWN OF LADOGA
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 and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the Town. It is presented as intended by the Town.

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Riverboat Revenue	Rainy Day	Local Law	CJI Grant Fund	Levy Excess
Cash and investments - beginning	\$ 183,235	\$ 67,193	\$ 7,314	\$ 6,584	\$ 9,863	\$ 2,969	\$ -	\$ 314
Receipts:								
Taxes	168,309	-	-	-	-	-	-	-
Intergovernmental	73,208	38,945	4,746	6,552	28,527	-	37,529	266
Charges for services	327	-	-	-	-	689	-	-
Fines and forfeits	1,527	-	-	-	-	320	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	46,746	40,784	5,003	13,000	6,057	1,744	37,529	-
Total receipts	290,117	79,729	9,749	19,552	34,584	2,753	75,058	266
Disbursements:								
Personal services	71,149	24,031	-	-	-	2,308	-	-
Supplies	19,608	2,160	-	-	-	-	-	-
Other services and charges	53,459	2,440	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	43,060	19,420	-	-	-	1,369	37,921	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	37,529	40,000	5,000	13,000	6,000	3	37,137	-
Total disbursements	224,805	88,051	5,000	13,000	6,000	3,680	75,058	-
Excess (deficiency) of receipts over disbursements	65,312	(8,322)	4,749	6,552	28,584	(927)	-	266
Cash and investments - ending	\$ 248,547	\$ 58,871	\$ 12,063	\$ 13,136	\$ 38,447	\$ 2,042	\$ -	\$ 580

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Capital Development	Cumulative Capital Improvement	Payroll	HRA Insurance Savings Account	Electric	Electric Consumer Deposit	Storm Water	Trash
Cash and investments - beginning	\$ 55,662	\$ 2,635	\$ 4,455	\$ 1,000	\$ 187,585	\$ 27,669	\$ 18,831	\$ 4,739
Receipts:								
Taxes	12,211	-	-	-	-	-	-	-
Intergovernmental	302	3,066	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	900,489	-	20,991	46,404
Other receipts	27,584	13,002	245,167	16,025	102,048	8,100	7,830	-
Total receipts	40,097	16,068	245,167	16,025	1,002,537	8,100	28,821	46,404
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	45,661	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	712,289	5,838	18,872	41,017
Other disbursements	27,000	13,000	245,222	13,179	129,467	-	400	-
Total disbursements	72,661	13,000	245,222	13,179	841,756	5,838	19,272	41,017
Excess (deficiency) of receipts over disbursements	(32,564)	3,068	(55)	2,846	160,781	2,262	9,549	5,387
Cash and investments - ending	\$ 23,098	\$ 5,703	\$ 4,400	\$ 3,846	\$ 348,366	\$ 29,931	\$ 28,380	\$ 10,126

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewer	BONY Sewer Bond & Interest	Sewer Const	BONY Sewer Debt Service Reserve	Water	Water Consumer Deposit	Totals
Cash and investments - beginning	\$ 44,362	\$ 4,608	\$ 2,011	\$ 57,483	\$ 148,978	\$ 10,684	\$ 848,174
Receipts:							
Taxes	-	-	-	-	-	-	180,520
Intergovernmental	-	-	-	-	-	-	193,141
Charges for services	-	-	-	-	-	-	1,016
Fines and forfeits	-	-	-	-	-	-	1,847
Utility fees	228,792	-	-	-	148,249	-	1,344,925
Other receipts	120,517	19,437	2	16,143	26,693	3,950	757,361
Total receipts	<u>349,309</u>	<u>19,437</u>	<u>2</u>	<u>16,143</u>	<u>174,942</u>	<u>3,950</u>	<u>2,478,810</u>
Disbursements:							
Personal services	-	-	-	-	-	-	97,488
Supplies	-	-	-	-	-	-	21,768
Other services and charges	-	-	-	-	-	-	55,899
Debt service - principal and interest	-	7,456	-	-	-	-	7,456
Capital outlay	-	-	-	-	-	-	147,431
Utility operating expenses	228,831	-	-	-	110,624	2,840	1,120,311
Other disbursements	101,344	-	2,013	55,000	31,946	-	757,240
Total disbursements	<u>330,175</u>	<u>7,456</u>	<u>2,013</u>	<u>55,000</u>	<u>142,570</u>	<u>2,840</u>	<u>2,207,593</u>
Excess (deficiency) of receipts over disbursements	<u>19,134</u>	<u>11,981</u>	<u>(2,011)</u>	<u>(38,857)</u>	<u>32,372</u>	<u>1,110</u>	<u>271,217</u>
Cash and investments - ending	<u>\$ 63,496</u>	<u>\$ 16,589</u>	<u>\$ -</u>	<u>\$ 18,626</u>	<u>\$ 181,350</u>	<u>\$ 11,794</u>	<u>\$ 1,119,391</u>

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	CDBG Planning Grant - Downtown Revitalization	Riverboat Revenue	Rainy Day	Levy Excess	Cumulative Capital Development
Cash and investments - beginning	\$ 248,547	\$ 58,871	\$ 12,063	\$ -	\$ 13,136	\$ 38,447	\$ 580	\$ 23,098
Receipts:								
Taxes	139,805	-	-	-	-	-	-	9,022
Licenses and permits	-	125	-	-	-	-	-	-
Intergovernmental	60,668	39,043	4,655	-	6,552	-	-	1,159
Charges for services	1,749	-	-	-	-	-	-	-
Fines and forfeits	2,509	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	85,841	20,094	7,015	50,000	-	15,065	-	1,033
Total receipts	290,572	59,262	11,670	50,000	6,552	15,065	-	11,214
Disbursements:								
Personal services	66,830	16,181	-	-	-	-	-	-
Supplies	19,271	7,802	-	-	-	-	-	-
Other services and charges	56,562	953	-	50,000	-	-	-	-
Capital outlay	83,183	21,022	5,110	-	11,996	15,000	-	10,000
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	82,000	20,000	7,000	-	-	15,000	-	1,000
Total disbursements	307,846	65,958	12,110	50,000	11,996	30,000	-	11,000
Excess (deficiency) of receipts over disbursements	(17,274)	(6,696)	(440)	-	(5,444)	(14,935)	-	214
Cash and investments - ending	<u>\$ 231,273</u>	<u>\$ 52,175</u>	<u>\$ 11,623</u>	<u>\$ -</u>	<u>\$ 7,692</u>	<u>\$ 23,512</u>	<u>\$ 580</u>	<u>\$ 23,312</u>

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CFF Grant Fund - Fire Station	Cumulative Capital Improvement	Local Law	Payroll	HRA Insurance Savings Account	Electric	Electric Consumer Deposit	Storm Water
Cash and investments - beginning	\$ -	\$ 5,703	\$ 2,042	\$ 4,400	\$ 3,846	\$ 348,366	\$ 29,931	\$ 28,380
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	734	-	-	-	-	-
Intergovernmental	-	3,007	-	-	-	-	-	-
Charges for services	-	-	10	-	-	-	-	-
Fines and forfeits	-	-	164	-	-	-	-	-
Utility fees	-	-	-	-	-	884,400	6,900	24,651
Other receipts	622,100	1	-	257,199	9,432	1,509	3,000	97,110
Total receipts	622,100	3,008	908	257,199	9,432	885,909	9,900	121,761
Disbursements:								
Personal services	-	-	-	-	11,436	-	-	-
Supplies	-	-	260	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	565,531	-	-	-	-	181,787	-	-
Utility operating expenses	-	-	-	-	-	731,146	7,417	83,135
Other disbursements	28,277	-	-	256,484	-	-	3,000	15,000
Total disbursements	593,808	-	260	256,484	11,436	912,933	10,417	98,135
Excess (deficiency) of receipts over disbursements	28,292	3,008	648	715	(2,004)	(27,024)	(517)	23,626
Cash and investments - ending	\$ 28,292	\$ 8,711	\$ 2,690	\$ 5,115	\$ 1,842	\$ 321,342	\$ 29,414	\$ 52,006

TOWN OF LADOGA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Trash	Sewer	BONY Sewer Bond & Interest	BONY Sewer Debt Service Reserve	Water	Water Consumer Deposit	Totals
Cash and investments - beginning	\$ 10,126	\$ 63,496	\$ 16,589	\$ 18,626	\$ 181,350	\$ 11,794	\$ 1,119,391
Receipts:							
Taxes	-	-	-	-	-	-	148,827
Licenses and permits	-	-	-	-	-	-	859
Intergovernmental	-	-	-	-	-	-	115,084
Charges for services	-	-	-	-	-	-	1,759
Fines and forfeits	-	-	-	-	-	-	2,673
Utility fees	47,574	232,309	-	-	150,557	2,850	1,349,241
Other receipts	-	23,868	44,000	-	20,055	-	1,257,322
Total receipts	<u>47,574</u>	<u>256,177</u>	<u>44,000</u>	<u>-</u>	<u>170,612</u>	<u>2,850</u>	<u>2,875,765</u>
Disbursements:							
Personal services	-	-	-	-	-	-	94,447
Supplies	-	-	-	-	-	-	27,333
Other services and charges	-	-	-	-	-	-	107,515
Capital outlay	-	-	-	-	-	-	893,629
Utility operating expenses	42,370	156,639	-	-	131,993	-	1,152,700
Other disbursements	-	67,500	25,607	-	16,568	3,288	540,724
Total disbursements	<u>42,370</u>	<u>224,139</u>	<u>25,607</u>	<u>-</u>	<u>148,561</u>	<u>3,288</u>	<u>2,816,348</u>
Excess (deficiency) of receipts over disbursements	<u>5,204</u>	<u>32,038</u>	<u>18,393</u>	<u>-</u>	<u>22,051</u>	<u>(438)</u>	<u>59,417</u>
Cash and investments - ending	<u>\$ 15,330</u>	<u>\$ 95,534</u>	<u>\$ 34,982</u>	<u>\$ 18,626</u>	<u>\$ 203,401</u>	<u>\$ 11,356</u>	<u>\$ 1,178,808</u>

TOWN OF LADOGA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

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 backtrading (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	\$ 28,000
Infrastructure	749,722
Buildings	833,612
Improvements other than buildings	93,840
Machinery and equipment	672,700
Construction in progress	<u>-</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 2,377,874</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	1,700
Buildings	21,687
Improvements other than buildings	830,659
Machinery and equipment	<u>99,768</u>
 Total Water Utility capital assets	 <u>953,814</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	14,905
Buildings	180,165
Improvements other than buildings	2,767,766
Machinery and equipment	<u>140,669</u>
 Total Wastewater Utility capital assets	 <u>3,103,505</u>
Electric Utility:	
Capital assets, not being depreciated:	
Buildings	21,809
Improvements other than buildings	664,751
Machinery and equipment	<u>304,151</u>
 Total Electric Utility capital assets	 <u>990,711</u>
Storm Water Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	<u>275,947</u>
 Total Storm Water Utility capital assets	 <u>275,947</u>
 Total business-type activities, capital assets not being depreciated	 <u>\$ 5,323,977</u>

TOWN OF LADOGA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business Type activities:		
Wastewater Utility:		
Revenue bonds:		
Sanitary Collection System Rehab	\$ 240,000	\$ 18,016

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF LADOGA, MONTGOMERY COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Ladoga (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 years ended December 31, 2010 and 2011. The Town's major federal program is 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 its major federal program for the years ended December 31, 2010 and 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

March 15, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Town. The schedule and note are presented as intended by the Town.

TOWN OF LADOGA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs				
Community Development Block Grants/State Administered CDBG Cluster				
Community Development Block Grants/State's Program and				
Non-Entitlement Grants in Hawaii	14.228			
Fire Station		B10DC180001CF-10-112	\$ -	\$ 500,000
Downtown Revitalization		B11DC180001PL-09-053	-	50,000
Storm Water		B11DC180001DR2-09-19	-	82,000
			<u>-</u>	<u>632,000</u>
Total for federal grantor agency			<u>-</u>	<u>632,000</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Indiana Criminal Justice Institute				
Justice Assistance Grant Program Cluster				
ARRA - Edward Byrne Memorial Justice Assistance Grant				
Program/Grants to States and Territories	16.803			
		09JRA032	<u>37,529</u>	<u>-</u>
Total federal awards expended			<u>\$ 37,529</u>	<u>\$ 632,000</u>

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

TOWN OF LADOGA
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 Ladoga (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.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF LADOGA
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?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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:

Name of Federal Program or Cluster

Community Development Block Grants/State
Administered CDBG Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF LADOGA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF LADOGA
EXIT CONFERENCE

The contents of this report were discussed on March 15, 2012, with Viki L. Powers, Clerk-Treasurer, and James B. Cox, President of the Town Council. Our audit disclosed no material items that warrant comment at this time.