

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF SEELYVILLE

VIGO COUNTY, INDIANA

January 1, 2009 to December 31, 2011



FILED
05/11/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6-8
Notes to Financial Statements	9-12
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-22
Schedule of Capital Assets.....	23
Schedule of Long-Term Debt	24
Examination Results and Comments:	
Annual Report.....	25
Investment Maturity Limitations	25
Personal Use of Town Owned Vehicles	25
Receipt Issuance	25
Timely Recordkeeping.....	25-26
Internal Controls	26
Customer Deposit Register	26
Prescribed Form	26
Bank Account Reconciliations	26-27
Delinquent Accounts Payable.....	27
Old Outstanding Checks.....	27-28
Personal Expenses.....	28
Exit Conference.....	29

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamara J. Caton Connie Hinsenkamp	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	John Wade Jerry Jones	01-01-09 to 12-31-09 01-01-10 to 12-31-12
Superintendent of Water Utility	Brent S. Spier	01-01-09 to 12-31-12
Superintendent of Wastewater Utility	Brent S. Spier	01-01-09 to 12-31-12
Town Manager	Brent S. Spier	01-01-09 to 12-31-12



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
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SEELYVILLE, VIGO COUNTY, INDIANA

We have examined the financial statements of the Town of Seelyville (Town), for the period of January 1, 2009 to December 31, 2011. The Town's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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 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, 2009, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine 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 others within the entity, 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 1, 2012

(This page intentionally left blank.)

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 SEELYVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

Fund	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 109,108	\$ 80,971	\$ 53,283	\$ 136,796
Motor Vehicle Highway	165,459	43,042	32,860	175,641
Local Road And Street	27,154	9,382	-	36,536
Riverboat	37,213	-	-	37,213
Park Donation	2,500	-	-	2,500
Rainy Day	27,430	2,002	-	29,432
Local Law Enforcement Continuing Ed	261	139	-	400
Canine Donations Fund	167	400	-	567
Economic Development Income Tax	35,333	8,057	-	43,390
Cumulative Capital Improvement	45,215	3,953	-	49,168
Payroll	19	443,447	443,439	27
Wastewater Utility-Operating	142,939	284,307	240,824	186,422
Wastewater Util-Bond And Interest	54,485	50,098	61,709	42,874
Water Utility-Operating	1,405,931	1,329,350	1,294,813	1,440,468
Water Utility-Bond And Interest	307,331	435,359	495,762	246,928
Water Utility-Depreciation/Improve	318,426	66,332	-	384,758
Water Utility-Customer Deposit	17,780	39,517	38,117	19,180
Water Utility-Debt Reserve	414,823	-	-	414,823
Totals	<u>\$ 3,111,574</u>	<u>\$ 2,796,356</u>	<u>\$ 2,660,807</u>	<u>\$ 3,247,123</u>

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

TOWN OF SEELYVILLE
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	\$ 136,796	\$ 71,680	\$ 47,681	\$ 160,795
Motor Vehicle Highway	175,641	45,277	26,494	194,424
Local Road And Street	36,536	9,623	-	46,159
Riverboat	37,213	14,794	-	52,007
Park Donation	2,500	-	-	2,500
Rainy Day	29,432	1,117	-	30,549
Canine Donations Fund	567	-	400	167
Economic Development Income Tax	43,390	8,730	-	52,120
Local Law Enforcement Continuing Ed	400	148	-	548
Cumulative Capital Improvement	49,168	3,795	-	52,963
Payroll	27	440,523	440,515	35
Wastewater Utility-Operating	186,422	283,628	273,050	197,000
Wastewater Util-Bond And Interest	42,874	60,060	60,580	42,354
Water Utility-Operating	1,440,468	1,615,930	1,380,715	1,675,683
Water Utility-Bond And Interest	246,928	400,787	394,840	252,875
Water Utility-Depreciation/Improve	384,758	5,940	-	390,698
Water Utility-Customer Deposit	19,180	7,125	5,775	20,530
Water Utility-Debt Reserve	414,823	-	-	414,823
Totals	<u>\$ 3,247,123</u>	<u>\$ 2,969,157</u>	<u>\$ 2,630,050</u>	<u>\$ 3,586,230</u>

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

TOWN OF SEELYVILLE
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	\$ 160,795	\$ 79,217	\$ 82,831	\$ 157,181
Motor Vehicle Highway	194,424	43,307	36,959	200,772
Local Road And Street	46,159	9,296	-	55,455
Riverboat	52,007	7,397	-	59,404
Rainy Day	30,549	-	-	30,549
Cumulative Capital Improvement	52,963	3,728	-	56,691
Park Donation	2,500	-	-	2,500
Canine Donations Fund	167	-	167	-
Economic Development Income Tax	52,120	7,257	-	59,377
Local Law Enforcement Continuing Ed	548	276	-	824
Payroll	35	439,950	439,943	42
Wastewater Utility-Operating	197,000	267,277	258,113	206,164
Wastewater Util-Bond And Interest	42,354	58,864	59,455	41,763
Water Utility-Operating	1,675,683	2,109,444	2,112,136	1,672,991
Water Utility-Bond And Interest	252,875	396,703	401,275	248,303
Water Utility-Depreciation/Improve	390,698	3,477	-	394,175
Water Utility-Customer Deposit	20,530	900	-	21,430
Water Utility-Debt Reserve	414,823	-	-	414,823
Totals	<u>\$ 3,586,230</u>	<u>\$ 3,427,093</u>	<u>\$ 3,390,879</u>	<u>\$ 3,622,444</u>

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

TOWN OF SEELYVILLE
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), health and social services, culture and recreation, general administrative services, water, and wastewater.

The accompanying financial statements present the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of 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.

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.

TOWN OF SEELYVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF SEELYVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF SEELYVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and replacement items purchased.

Note 6. Subsequent Event

The Clerk-Treasurer has filed a suit against the Town Council regarding compensation and benefits.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2009 and 2010 Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town 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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant'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 SEELYVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Park Donation	Rainy Day	Local Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 109,108	\$ 165,459	\$ 27,154	\$ 37,213	\$ 2,500	\$ 27,430	\$ 261
Receipts:							
Taxes	55,149	-	-	-	-	-	-
Intergovernmental	12,312	43,042	9,382	-	-	2,002	-
Fines and forfeits	-	-	-	-	-	-	139
Utility fees	-	-	-	-	-	-	-
Other receipts	13,510	-	-	-	-	-	-
Total receipts	<u>80,971</u>	<u>43,042</u>	<u>9,382</u>	<u>-</u>	<u>-</u>	<u>2,002</u>	<u>139</u>
Disbursements:							
Personal services	13,246	16,498	-	-	-	-	-
Supplies	662	8,234	-	-	-	-	-
Other services and charges	39,375	8,128	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>53,283</u>	<u>32,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>27,688</u>	<u>10,182</u>	<u>9,382</u>	<u>-</u>	<u>-</u>	<u>2,002</u>	<u>139</u>
Cash and investments - ending	<u>\$ 136,796</u>	<u>\$ 175,641</u>	<u>\$ 36,536</u>	<u>\$ 37,213</u>	<u>\$ 2,500</u>	<u>\$ 29,432</u>	<u>\$ 400</u>

TOWN OF SEELYVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Canine Donations Fund	Economic Development Income Tax	Cumulative Capital Improvement	Payroll	Wastewater Utility-Operating	Wastewater Util-Bond And Interest
Cash and investments - beginning	\$ 167	\$ 35,333	\$ 45,215	\$ 19	\$ 142,939	\$ 54,485
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	8,057	3,624	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	284,240	-
Other receipts	400	-	329	443,447	67	50,098
Total receipts	<u>400</u>	<u>8,057</u>	<u>3,953</u>	<u>443,447</u>	<u>284,307</u>	<u>50,098</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	61,709
Capital outlay	-	-	-	-	75	-
Utility operating expenses	-	-	-	-	189,994	-
Other disbursements	-	-	-	443,439	50,755	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,439</u>	<u>240,824</u>	<u>61,709</u>
Excess (deficiency) of receipts over disbursements	<u>400</u>	<u>8,057</u>	<u>3,953</u>	<u>8</u>	<u>43,483</u>	<u>(11,611)</u>
Cash and investments - ending	<u>\$ 567</u>	<u>\$ 43,390</u>	<u>\$ 49,168</u>	<u>\$ 27</u>	<u>\$ 186,422</u>	<u>\$ 42,874</u>

TOWN OF SEELYVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Depreciation/Improve	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 1,405,931	\$ 307,331	\$ 318,426	\$ 17,780	\$ 414,823	\$ 3,111,574
Receipts:						
Taxes	-	-	-	-	-	55,149
Intergovernmental	-	-	-	-	-	78,419
Fines and forfeits	-	-	-	-	-	139
Utility fees	1,255,790	-	-	-	-	1,540,030
Other receipts	<u>73,560</u>	<u>435,359</u>	<u>66,332</u>	<u>39,517</u>	<u>-</u>	<u>1,122,619</u>
Total receipts	<u>1,329,350</u>	<u>435,359</u>	<u>66,332</u>	<u>39,517</u>	<u>-</u>	<u>2,796,356</u>
Disbursements:						
Personal services	-	-	-	-	-	29,744
Supplies	-	-	-	-	-	8,896
Other services and charges	-	-	-	-	-	47,503
Debt service - principal and interest	-	495,762	-	-	-	557,471
Capital outlay	12,667	-	-	-	-	12,742
Utility operating expenses	717,554	-	-	38,117	-	945,665
Other disbursements	<u>564,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,786</u>
Total disbursements	<u>1,294,813</u>	<u>495,762</u>	<u>-</u>	<u>38,117</u>	<u>-</u>	<u>2,660,807</u>
Excess (deficiency) of receipts over disbursements	<u>34,537</u>	<u>(60,403)</u>	<u>66,332</u>	<u>1,400</u>	<u>-</u>	<u>135,549</u>
Cash and investments - ending	<u>\$ 1,440,468</u>	<u>\$ 246,928</u>	<u>\$ 384,758</u>	<u>\$ 19,180</u>	<u>\$ 414,823</u>	<u>\$ 3,247,123</u>

TOWN OF SEELYVILLE
 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	Park Donation	Rainy Day	Canine Donations Fund
Cash and investments - beginning	\$ 136,796	\$ 175,641	\$ 36,536	\$ 37,213	\$ 2,500	\$ 29,432	\$ 567
Receipts:							
Taxes	53,423	-	-	-	-	-	-
Intergovernmental	13,089	40,512	9,623	14,794	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,168	4,765	-	-	-	1,117	-
Total receipts	<u>71,680</u>	<u>45,277</u>	<u>9,623</u>	<u>14,794</u>	<u>-</u>	<u>1,117</u>	<u>-</u>
Disbursements:							
Personal services	14,720	17,458	-	-	-	-	-
Supplies	4,572	8,550	-	-	-	-	400
Other services and charges	27,759	486	-	-	-	-	-
Capital outlay	630	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>47,681</u>	<u>26,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
Excess (deficiency) of receipts over disbursements	<u>23,999</u>	<u>18,783</u>	<u>9,623</u>	<u>14,794</u>	<u>-</u>	<u>1,117</u>	<u>(400)</u>
Cash and investments - ending	<u>\$ 160,795</u>	<u>\$ 194,424</u>	<u>\$ 46,159</u>	<u>\$ 52,007</u>	<u>\$ 2,500</u>	<u>\$ 30,549</u>	<u>\$ 167</u>

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

	Economic Development Income Tax	Local Law Enforcement Continuing Ed	Cumulative Capital Improvement	Payroll	Wastewater Utility-Operating	Wastewater Util-Bond And Interest
Cash and investments - beginning	\$ 43,390	\$ 400	\$ 49,168	\$ 27	\$ 186,422	\$ 42,874
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	8,730	-	3,461	-	-	-
Fines and forfeits	-	148	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	334	440,523	283,628	60,060
Total receipts	<u>8,730</u>	<u>148</u>	<u>3,795</u>	<u>440,523</u>	<u>283,628</u>	<u>60,060</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	15,492	-
Utility operating expenses	-	-	-	-	109,981	60,580
Other disbursements	-	-	-	440,515	147,577	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,515</u>	<u>273,050</u>	<u>60,580</u>
Excess (deficiency) of receipts over disbursements	<u>8,730</u>	<u>148</u>	<u>3,795</u>	<u>8</u>	<u>10,578</u>	<u>(520)</u>
Cash and investments - ending	<u>\$ 52,120</u>	<u>\$ 548</u>	<u>\$ 52,963</u>	<u>\$ 35</u>	<u>\$ 197,000</u>	<u>\$ 42,354</u>

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

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Depreciation/Improve	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 1,440,468	\$ 246,928	\$ 384,758	\$ 19,180	\$ 414,823	\$ 3,247,123
Receipts:						
Taxes	-	-	-	-	-	53,423
Intergovernmental	-	-	-	-	-	90,209
Fines and forfeits	-	-	-	-	-	148
Utility fees	1,599,176	-	-	-	-	1,599,176
Other receipts	16,754	400,787	5,940	7,125	-	1,226,201
Total receipts	<u>1,615,930</u>	<u>400,787</u>	<u>5,940</u>	<u>7,125</u>	<u>-</u>	<u>2,969,157</u>
Disbursements:						
Personal services	-	-	-	-	-	32,178
Supplies	-	-	-	-	-	13,522
Other services and charges	-	-	-	-	-	28,245
Capital outlay	7,492	-	-	-	-	23,614
Utility operating expenses	1,349,771	394,840	-	5,775	-	1,920,947
Other disbursements	23,452	-	-	-	-	611,544
Total disbursements	<u>1,380,715</u>	<u>394,840</u>	<u>-</u>	<u>5,775</u>	<u>-</u>	<u>2,630,050</u>
Excess (deficiency) of receipts over disbursements	<u>235,215</u>	<u>5,947</u>	<u>5,940</u>	<u>1,350</u>	<u>-</u>	<u>339,107</u>
Cash and investments - ending	<u>\$ 1,675,683</u>	<u>\$ 252,875</u>	<u>\$ 390,698</u>	<u>\$ 20,530</u>	<u>\$ 414,823</u>	<u>\$ 3,586,230</u>

TOWN OF SEELYVILLE
 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	Riverboat	Rainy Day	Cumulative Capital Improvement	Park Donation
Cash and investments - beginning	\$ 160,795	\$ 194,424	\$ 46,159	\$ 52,007	\$ 30,549	\$ 52,963	\$ 2,500
Receipts:							
Taxes	62,865	11,370	-	-	-	-	-
Intergovernmental	10,098	28,426	9,296	7,397	-	3,394	-
Charges for services	6,248	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6	3,511	-	-	-	334	-
Total receipts	<u>79,217</u>	<u>43,307</u>	<u>9,296</u>	<u>7,397</u>	<u>-</u>	<u>3,728</u>	<u>-</u>
Disbursements:							
Personal services	15,796	18,682	-	-	-	-	-
Supplies	4,561	7,602	-	-	-	-	-
Other services and charges	58,154	10,675	-	-	-	-	-
Capital outlay	4,320	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>82,831</u>	<u>36,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,614)</u>	<u>6,348</u>	<u>9,296</u>	<u>7,397</u>	<u>-</u>	<u>3,728</u>	<u>-</u>
Cash and investments - ending	<u>\$ 157,181</u>	<u>\$ 200,772</u>	<u>\$ 55,455</u>	<u>\$ 59,404</u>	<u>\$ 30,549</u>	<u>\$ 56,691</u>	<u>\$ 2,500</u>

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

	Canine Donations Fund	Economic Development Income Tax	Local Law Enforcement Continuing Ed	Payroll	Wastewater Utility-Operating	Wastewater Util-Bond And Interest
Cash and investments - beginning	\$ 167	\$ 52,120	\$ 548	\$ 35	\$ 197,000	\$ 42,354
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	7,257	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	-	267,270	-
Other receipts	-	-	276	439,950	7	58,864
Total receipts	<u>-</u>	<u>7,257</u>	<u>276</u>	<u>439,950</u>	<u>267,277</u>	<u>58,864</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	167	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	197,760	-
Other disbursements	-	-	-	439,943	60,353	59,455
Total disbursements	<u>167</u>	<u>-</u>	<u>-</u>	<u>439,943</u>	<u>258,113</u>	<u>59,455</u>
Excess (deficiency) of receipts over disbursements	<u>(167)</u>	<u>7,257</u>	<u>276</u>	<u>7</u>	<u>9,164</u>	<u>(591)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 59,377</u>	<u>\$ 824</u>	<u>\$ 42</u>	<u>\$ 206,164</u>	<u>\$ 41,763</u>

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

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Depreciation/Improve	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 1,675,683	\$ 252,875	\$ 390,698	\$ 20,530	\$ 414,823	\$ 3,586,230
Receipts:						
Taxes	-	-	-	-	-	74,235
Intergovernmental	-	-	-	-	-	65,868
Charges for services	-	-	-	-	-	6,248
Utility fees	1,380,063	-	-	900	-	1,648,233
Other receipts	729,381	396,703	3,477	-	-	1,632,509
Total receipts	<u>2,109,444</u>	<u>396,703</u>	<u>3,477</u>	<u>900</u>	<u>-</u>	<u>3,427,093</u>
Disbursements:						
Personal services	-	-	-	-	-	34,478
Supplies	-	-	-	-	-	12,330
Other services and charges	-	-	-	-	-	68,829
Capital outlay	11,721	-	-	-	-	16,041
Utility operating expenses	759,163	-	-	-	-	956,923
Other disbursements	1,341,252	401,275	-	-	-	2,302,278
Total disbursements	<u>2,112,136</u>	<u>401,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,390,879</u>
Excess (deficiency) of receipts over disbursements	<u>(2,692)</u>	<u>(4,572)</u>	<u>3,477</u>	<u>900</u>	<u>-</u>	<u>36,214</u>
Cash and investments - ending	<u>\$ 1,672,991</u>	<u>\$ 248,303</u>	<u>\$ 394,175</u>	<u>\$ 21,430</u>	<u>\$ 414,823</u>	<u>\$ 3,622,444</u>

TOWN OF SEELYVILLE
 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 completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 224,000
Buildings	238,000
Improvements other than buildings	771,252
Machinery and equipment	<u>119,920</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,353,172</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 60,100
Buildings	807,716
Improvements other than buildings	5,633,831
Machinery and equipment	<u>1,002,104</u>
Total Water Utility capital assets	<u>7,503,751</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	40,800
Improvements other than buildings	1,522,838
Machinery and equipment	<u>58,173</u>
Total Wastewater Utility capital assets	<u>1,621,811</u>
Total business-type activities capital assets	<u>\$ 9,125,562</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks refunding	\$ 3,260,000	\$ 522,790
Wastewater Utility:		
Revenue bonds:		
Improvement and addition	615,000	57,680
Total business-type activities debt	<u>\$ 3,875,000</u>	<u>\$ 580,470</u>

TOWN OF SEELYVILLE
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT (Applies to Town and Utilities)

The 2010 Annual Report was not completed or published timely.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

INVESTMENT MATURITY LIMITATIONS (Applies to Water Utility)

The Water Utility purchased a Certificate of Deposit which had a stated maturity date of three years after the purchase.

Indiana Code 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than: . . . two (2) years for a fund or political subdivision not described in subdivision (1) or (2); after the date of purchase or entry into a repurchase agreement."

PERSONAL USE OF TOWN OWNED VEHICLES (Applies to Town and Utilities)

Automobiles are furnished by the Town and Water Utility to the Town Manager, the Water Treatment Operator, and the Back-hoe Operator. None of these employees maintained a log of personal miles driven. No additional income was shown on these employees' W-2 forms.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Page 51-9)

Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

RECEIPT ISSUANCE (Applies to Town)

As stated in the prior Report B35293, receipts were not issued for monies received by the Town for tax distributions.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TIMELY RECORDKEEPING (Applies to Utilities)

We noted instances of months passing from the time of the original date of the transactions until entry on the records.

TOWN OF SEELYVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

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 Indiana Code 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)

INTERNAL CONTROLS (Applies to Town and Utilities)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are insufficient. The Clerk-Treasurer records receipts and disbursements, makes the deposits and reconciles the bank account balance to the record balance. The Town Council does not receive or approve monthly financial reports.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER (Applies to Water Utility)

As stated in the prior Report B35293, the detailed Customer Deposit Register does not reconcile with the customer deposit amount recorded on the general ledger. The general ledger balance exceeds the detailed customer deposit register balance.

At all times, the manual and 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)

PRESCRIBED FORM (Applies to Water Utility)

The following prescribed or approved form was not always in use:

Guarantee Deposit 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)

BANK ACCOUNT RECONCILIATIONS (Applies to Town and Utilities)

Depository reconciliations of the fund balances to the bank account balances were incorrect.

Indiana Code 5-13-6-1(e) states: "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."

TOWN OF SEELYVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

DELINQUENT ACCOUNTS PAYABLE (Applies to Town and Utilities)

In some cases, amounts payable to vendors and other suppliers of goods and services were paid up to 90 days after the invoice due dates.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OLD OUTSTANDING CHECKS (Applies to Town and Utilities)

Our review of the outstanding check list dated December 31, 2011, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; (2) or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

TOWN OF SEELYVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

PERSONAL EXPENSES (Applies to Town)

Items were noted on the Staples statements that were personal in nature. No real dollar amount was expended toward these purchases because of coupons and discounts from Staples. Reportedly, items were later distributed as gifts to employees.

Any compensation, premium, bonus, or product earned as a result of the purchase of goods or services by the governmental unit becomes the property of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SEELYVILLE
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2012, with Connie Hinsenkamp, Clerk-Treasurer; Brent S. Spier, Town Manager; and Jerry Jones, President of Town Council.

The contents of this report were discussed on March 1, 2012, with Tamara J. Caton, former Clerk-Treasurer.