

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF BATTLE GROUND

TIPPECANOE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
01/24/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Phyllis Hall	01-01-08 to 12-31-15
President of the Town Council	Rebecca Holladay	01-01-10 to 12-31-11
	Steven C. Egly	01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BATTLE GROUND, TIPPECANOE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Battle Ground (Town), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2011.

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 period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination 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 Payables and Receivables, and Schedule of Capital Assets, 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.

STATE BOARD OF ACCOUNTS

December 17, 2012

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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 BATTLE GROUND
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	\$ 160,962	\$ 353,835	\$ 274,533	\$ 240,264
Motor Vehicle Highway	58,101	103,231	77,171	84,161
Local Road And Street	17,754	20,645	17,403	20,996
Donation	31	-	-	31
Ordinance Violation	1,621	-	-	1,621
Law Enforcement Continuing Education	2,327	643	-	2,970
Riverboat	26,760	8,450	18,000	17,210
Street Project	41,605	221	-	41,826
Walking Tour	825	19	-	844
Rainy Day Fund	13,234	4,357	8,493	9,098
Cumulative Capital Improvement	4,615	3,899	6,000	2,514
Cumulative Capital Development	24,691	11,039	10,000	25,730
CEDIT	49,612	54,272	65,800	38,084
Payroll	28,088	198,635	195,443	31,280
Sewage Utility Operating	571,404	418,462	516,115	473,751
Sewage Utility Bond And Interest	8,681	-	-	8,681
Sewage Utility Depreciation	19,171	2,000	-	21,171
Sewage Meter	20,392	4,124	2,370	22,146
Sewage Reserve	39,609	-	-	39,609
Totals	<u>\$ 1,089,483</u>	<u>\$ 1,183,832</u>	<u>\$ 1,191,328</u>	<u>\$ 1,081,987</u>

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

TOWN OF BATTLE GROUND
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	\$ 240,264	\$ 254,314	\$ 250,052	\$ 244,526
Motor Vehicle Highway	84,161	110,595	103,028	91,728
Local Road and Street	20,996	25,396	5,006	41,386
Ordinance Violation	1,621	25	-	1,646
Law Enforcement Continuing Education	2,970	378	-	3,348
Rainy Day Fund	9,098	57	-	9,155
CEDIT	38,084	66,689	78,544	26,229
Cumulative Capital Developent	25,730	8,907	-	34,637
Cumulative Capital Improvement	2,514	3,826	-	6,340
Riverboat	17,210	8,388	-	25,598
Walking Tour	844	-	-	844
Donation	31	5,000	-	5,031
Street Project	41,826	83	41,909	-
Payroll	31,280	210,151	233,689	7,742
Sewage Utility Operating	473,751	462,859	435,911	500,699
Sewage Meter	22,146	4,560	2,414	24,292
Sewage Utility Depreciation	21,171	-	-	21,171
Sewage Utility Bond and Interest	8,681	-	-	8,681
Sewage Reserve	39,609	-	-	39,609
Totals	<u>\$ 1,081,987</u>	<u>\$ 1,161,228</u>	<u>\$ 1,150,553</u>	<u>\$ 1,092,662</u>

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

TOWN OF BATTLE GROUND
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.

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 include 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.

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,

TOWN OF BATTLE GROUND
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include 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.

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 BATTLE GROUND
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 BATTLE GROUND
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.

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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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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 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 approved by management of the Town. It is presented as intended by the Town.

TOWN OF BATTLE GROUND
 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	Donation	Ordinance Violation	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 160,962	\$ 58,101	\$ 17,754	\$ 31	\$ 1,621	\$ 2,327	\$ 26,760
Receipts:							
Taxes	246,161	27,758	-	-	-	-	-
Licenses and permits	46	-	-	-	-	638	-
Intergovernmental	90,661	64,726	15,074	-	-	-	8,279
Charges for services	526	-	-	-	-	5	-
Fines and forfeits	1,543	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	14,898	10,747	5,571	-	-	-	171
Total receipts	<u>353,835</u>	<u>103,231</u>	<u>20,645</u>	<u>-</u>	<u>-</u>	<u>643</u>	<u>8,450</u>
Disbursements:							
Personal services	113,751	40,361	-	-	-	-	-
Supplies	2,545	17,452	-	-	-	-	-
Other services and charges	131,812	7,929	-	-	-	-	-
Capital outlay	26,425	11,429	17,403	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	18,000
Total disbursements	<u>274,533</u>	<u>77,171</u>	<u>17,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Excess (deficiency) of receipts over disbursements	<u>79,302</u>	<u>26,060</u>	<u>3,242</u>	<u>-</u>	<u>-</u>	<u>643</u>	<u>(9,550)</u>
Cash and investments - ending	<u>\$ 240,264</u>	<u>\$ 84,161</u>	<u>\$ 20,996</u>	<u>\$ 31</u>	<u>\$ 1,621</u>	<u>\$ 2,970</u>	<u>\$ 17,210</u>

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

	Street Project	Walking Tour	Rainy Day Fund	Cumulative Capital Improvement	Cumulative Capital Development	CEDIT	Payroll
Cash and investments - beginning	\$ 41,605	\$ 825	\$ 13,234	\$ 4,615	\$ 24,691	\$ 49,612	\$ 28,088
Receipts:							
Taxes	-	-	-	-	9,349	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,874	1,543	53,943	-
Charges for services	-	19	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	221	-	4,357	25	147	329	198,635
Total receipts	<u>221</u>	<u>19</u>	<u>4,357</u>	<u>3,899</u>	<u>11,039</u>	<u>54,272</u>	<u>198,635</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	6,000	10,000	65,800	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	8,493	-	-	-	195,443
Total disbursements	<u>-</u>	<u>-</u>	<u>8,493</u>	<u>6,000</u>	<u>10,000</u>	<u>65,800</u>	<u>195,443</u>
Excess (deficiency) of receipts over disbursements	<u>221</u>	<u>19</u>	<u>(4,136)</u>	<u>(2,101)</u>	<u>1,039</u>	<u>(11,528)</u>	<u>3,192</u>
Cash and investments - ending	<u>\$ 41,826</u>	<u>\$ 844</u>	<u>\$ 9,098</u>	<u>\$ 2,514</u>	<u>\$ 25,730</u>	<u>\$ 38,084</u>	<u>\$ 31,280</u>

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

	Sewage Utility Operating	Sewage Utility Bond And Interest	Sewage Utility Depreciation	Sewage Meter	Sewage Reserve	Totals
Cash and investments - beginning	\$ 571,404	\$ 8,681	\$ 19,171	\$ 20,392	\$ 39,609	\$ 1,089,483
Receipts:						
Taxes	-	-	-	-	-	283,268
Licenses and permits	-	-	-	-	-	684
Intergovernmental	-	-	-	-	-	238,100
Charges for services	-	-	-	-	-	550
Fines and forfeits	-	-	-	-	-	1,543
Utility fees	361,365	-	-	-	-	361,365
Other receipts	57,097	-	2,000	4,124	-	298,322
Total receipts	418,462	-	2,000	4,124	-	1,183,832
Disbursements:						
Personal services	-	-	-	-	-	154,112
Supplies	-	-	-	-	-	19,997
Other services and charges	-	-	-	-	-	139,741
Capital outlay	250,341	-	-	-	-	387,398
Utility operating expenses	265,774	-	-	2,370	-	268,144
Other disbursements	-	-	-	-	-	221,936
Total disbursements	516,115	-	-	2,370	-	1,191,328
Excess (deficiency) of receipts over disbursements	(97,653)	-	2,000	1,754	-	(7,496)
Cash and investments - ending	\$ 473,751	\$ 8,681	\$ 21,171	\$ 22,146	\$ 39,609	\$ 1,081,987

TOWN OF BATTLE GROUND
 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	Ordinance Violation	Law Enforcement Continuing Education	Rainy Day Fund	CEDIT
Cash and investments - beginning	\$ 240,264	\$ 84,161	\$ 20,996	\$ 1,621	\$ 2,970	\$ 9,098	\$ 38,084
Receipts:							
Taxes	184,407	31,217	-	-	-	-	-
Licenses and permits	28	-	-	-	344	-	-
Intergovernmental	61,758	40,336	13,318	-	-	-	36,485
Charges for services	567	-	-	-	34	-	-
Fines and forfeits	1,725	-	-	25	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,829	39,042	12,078	-	-	57	30,204
Total receipts	<u>254,314</u>	<u>110,595</u>	<u>25,396</u>	<u>25</u>	<u>378</u>	<u>57</u>	<u>66,689</u>
Disbursements:							
Personal services	125,964	53,410	-	-	-	-	-
Supplies	10,088	13,098	-	-	-	-	-
Other services and charges	106,422	15,977	-	-	-	-	78,544
Capital outlay	7,472	19,793	5,006	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	106	750	-	-	-	-	-
Total disbursements	<u>250,052</u>	<u>103,028</u>	<u>5,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,544</u>
Excess (deficiency) of receipts over disbursements	<u>4,262</u>	<u>7,567</u>	<u>20,390</u>	<u>25</u>	<u>378</u>	<u>57</u>	<u>(11,855)</u>
Cash and investments - ending	<u>\$ 244,526</u>	<u>\$ 91,728</u>	<u>\$ 41,386</u>	<u>\$ 1,646</u>	<u>\$ 3,348</u>	<u>\$ 9,155</u>	<u>\$ 26,229</u>

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

	Cumulative Capital Development	Cumulative Capital Improvement	Riverboat	Walking Tour	Donation	Street Project	Payroll
Cash and investments - beginning	\$ 25,730	\$ 2,514	\$ 17,210	\$ 844	\$ 31	\$ 41,826	\$ 31,280
Receipts:							
Taxes	7,777	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	984	3,799	8,279	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	146	27	109	-	5,000	83	210,151
Total receipts	8,907	3,826	8,388	-	5,000	83	210,151
Disbursements:							
Personal services	-	-	-	-	-	-	151,320
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	41,909	82,369
Total disbursements	-	-	-	-	-	41,909	233,689
Excess (deficiency) of receipts over disbursements	8,907	3,826	8,388	-	5,000	(41,826)	(23,538)
Cash and investments - ending	\$ 34,637	\$ 6,340	\$ 25,598	\$ 844	\$ 5,031	\$ -	\$ 7,742

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

	Sewage Utility Operating	Sewage Meter	Sewage Utility Depreciation	Sewage Utility Bond and Interest	Sewage Reserve	Totals
Cash and investments - beginning	\$ 473,751	\$ 22,146	\$ 21,171	\$ 8,681	\$ 39,609	\$ 1,081,987
Receipts:						
Taxes	-	-	-	-	-	223,401
Licenses and permits	-	-	-	-	-	372
Intergovernmental	-	-	-	-	-	164,959
Charges for services	-	-	-	-	-	601
Fines and forfeits	-	-	-	-	-	1,750
Utility fees	428,945	4,560	-	-	-	433,505
Other receipts	33,914	-	-	-	-	336,640
Total receipts	<u>462,859</u>	<u>4,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,161,228</u>
Disbursements:						
Personal services	-	-	-	-	-	330,694
Supplies	-	-	-	-	-	23,186
Other services and charges	-	-	-	-	-	200,943
Capital outlay	122,515	-	-	-	-	154,786
Utility operating expenses	311,740	-	-	-	-	311,740
Other disbursements	1,656	2,414	-	-	-	129,204
Total disbursements	<u>435,911</u>	<u>2,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,553</u>
Excess (deficiency) of receipts over disbursements	<u>26,948</u>	<u>2,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,675</u>
Cash and investments - ending	<u>\$ 500,699</u>	<u>\$ 24,292</u>	<u>\$ 21,171</u>	<u>\$ 8,681</u>	<u>\$ 39,609</u>	<u>\$ 1,092,662</u>

TOWN OF BATTLE GROUND
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 15,174	\$ -
Wastewater	13,570	6,302
Totals	\$ 28,744	\$ 6,302

TOWN OF BATTLE GROUND
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.

	Ending Balance
Governmental activities:	
Land	\$ 332,261
Buildings	86,000
Machinery, equipment and vehicles	149,455
Total governmental activities	567,716
Wastewater:	
Land	807,812
Infrastructure	79,000
Buildings	98,813
Machinery, equipment and vehicles	72,478
Total Wastewater	1,058,103
Total capital assets	\$ 1,625,819

TOWN OF BATTLE GROUND
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

The Town is using credit cards to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

TOWN OF BATTLE GROUND
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

- (8) If properly authorized, an annual fee may be paid.

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

2010 ANNUAL REPORT

Investment balances were not included in the 2010 Annual Report. This resulted in the balances shown in Part 1 Statement of Receipts, Disbursements, Cash Balances and Investment Balances being understated. Adjustments were made to this examination report to reflect the correct balances. The 2010 Annual Report included the balances and transactions of the Battle Ground Conservancy District (Water Utility). This is a legally separate entity which should not be included in the Town's Annual Report. These items were reported correctly in the 2011 Annual Report.

IC 5-3-1-3 provides the Clerk-Treasurer or Controller of each city and town shall have published an annual report of the receipts and expenditures of such city or town within sixty days after the close of each calendar year. Part 1 of this report is a Statement of Receipts, Disbursements, Cash Balances and Investment Balances. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BATTLE GROUND
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2012, with Phyllis Hall, Clerk-Treasurer, and Steven C. Egly, President of the Town Council. The officials concurred with our findings.