

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF PORTER

PORTER COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
05/23/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Pomeroy	01-01-08 to 12-31-15
President of the Town Council	Michele Bollinger	01-01-10 to 12-28-10
	David Babcock	12-28-10 to 01-11-11
	Trevin Fowler	01-11-11 to 01-03-12
	Greg Stinson	01-03-12 to 01-08-13
	Elka Nelson	01-08-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PORTER, PORTER COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Porter (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, Schedule of Leases and Debt, 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.

Bruce Hartman
State Examiner

March 26, 2013

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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 PORTER
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	\$ 1,689,965	\$ 2,270,299	\$ 3,287,122	\$ 673,142
Motor Vehicle Highway	555,305	726,688	974,712	307,281
Local Road And Street	62,628	84,852	61,766	85,714
LECED	28,816	21,317	15,306	34,827
Park	109,077	178,264	247,763	39,578
Park Rental/Security Depot	5,463	15,090	15,175	5,378
Rainy Day	58,570	604,366	187,447	475,489
Major Moves	193,381	245,000	174,686	263,695
CCI	90,281	14,557	-	104,838
CCD	55,485	117,867	95,289	78,063
Redevelopment Commission	1,767,390	2,306,529	1,643,182	2,430,737
RDC Construction Series B	-	909,130	-	909,130
CEDIT	120,987	911,548	501,775	530,760
PERF 77 Fund	6,244	28,674	28,674	6,244
Police Donations	3,682	523	4,200	5
Police Officer/Vests	23,963	136,000	68,000	91,963
Park Donations	1,579	2,140	2,225	1,494
General Town Hall Donations	5	1,875	1,825	55
Fire Donations	5,000	-	5,000	-
Fire Grants	60	-	60	-
Lake Michigan Marina Grant	15,000	3,000	7,144	10,856
Fire/DNR Grants	-	4,764	4,764	-
Fire	165,502	324,149	440,876	48,775
Excess Levy	-	6,157	-	6,157
Debt/Lease Police	76,318	121,626	197,680	264
RDC Reserve Series B	-	90,993	-	90,993
RDC Construction Series A	-	3,734,805	41,277	3,693,528
RDC Reserve Series A	-	365,195	-	365,195
Federal Tax	2	188,272	188,272	2
State	3,007	55,940	55,922	3,025
SS & Medicare Withholding	-	88,568	88,568	-
Local Tax	1,576	7,617	7,619	1,574
BCBS	1,233	33,610	33,947	896
Porter Co - 697 Bankruptcy - 698	160	4,643	4,643	160
PERF	5,233	25,651	24,715	6,169
Sewer PR Transfer	4,834	376,819	374,733	6,920
Stormwater	74,241	153,318	137,352	90,207
Sewage Utility	152,830	1,550,745	1,528,750	174,825
Sewage Sinking	2	-	-	2
Sewage Construction	21,837	15,023	618	36,242
Sewage Debt Reserve	6	-	-	6
Totals	<u>\$ 5,299,662</u>	<u>\$ 15,725,614</u>	<u>\$ 10,451,087</u>	<u>\$ 10,574,189</u>

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

TOWN OF PORTER
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	\$ 673,142	\$ 2,270,286	\$ 2,433,973	\$ 509,455
Motor Vehicle Highway	307,281	580,568	597,182	290,667
Local Road And Street	85,714	60,527	114,656	31,585
LECED	34,827	6,992	9,522	32,297
Park	39,578	188,037	186,200	41,415
Park Rental/Security Depot	5,378	-	-	5,378
Rainy Day	475,489	-	-	475,489
Major Moves	263,695	1,950	167,042	98,603
CCI	104,838	14,278	-	119,116
CCD	78,063	112,060	69,491	120,632
Redevelopment Commission	2,430,737	933,526	2,767,297	596,966
RDC Construction Series B	909,130	580	320,451	589,259
CEDIT Transfer From CEDIT Series B	-	51,473	51,473	-
CEDIT	530,760	361,291	248,894	643,157
PERF 77 Fund	6,244	29,560	29,338	6,466
RDC Transfer From RDC Gen Series A	-	206,467	206,467	-
Police Donations	5	1,175	-	1,180
Police Officer/Vests	91,963	-	73,959	18,004
Park Donations	1,494	9,921	2,017	9,398
General Town Hall Donations	55	-	-	55
Lake Michigan Marina Grant	10,856	4,644	-	15,500
Fire	48,775	293,297	252,779	89,293
Excess Levy	6,157	-	-	6,157
Debt/Lease Police	264	117,117	117,381	-
RDC Reserve Series B	90,993	-	-	90,993
RDC Construction Series A	3,693,528	-	485,017	3,208,511
RDC Reserve Series A	365,195	-	-	365,195
Federal Tax	2	213,671	213,671	2
State	3,025	57,210	57,217	3,018
SS & Medicare Withholding	-	68,870	68,870	-
Local Tax	1,574	7,819	7,820	1,573
BCBS	896	38,253	38,659	490
Porter Co - 697 Bankruptcy - 698	160	4,723	4,723	160
PERF	6,169	25,601	26,548	5,222
Sewer PR Transfer	6,920	363,720	366,211	4,429
Stormwater	90,207	159,056	120,327	128,936
Sewage Utility	174,825	1,850,100	1,719,947	304,978
Sewage Sinking	2	-	-	2
Sewage Construction	36,242	78,027	32,460	81,809
Sewage Debt Reserve	6	-	-	6
Totals	<u>\$ 10,574,189</u>	<u>\$ 8,110,799</u>	<u>\$ 10,789,592</u>	<u>\$ 7,895,396</u>

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

TOWN OF PORTER
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, wastewater, storm water, trash, 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, county economic development income tax, boat and trailer excise tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or non-businesses 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, local road and street distribution received from the state, financial institution tax received

TOWN OF PORTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, recycling fees, dog pound 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.

Penalties which include fees received for late payments.

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; 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.

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.

TOWN OF PORTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, 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.

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 PORTER
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 Plans

A. 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.

TOWN OF PORTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

Note 7. Holding Corporation

The Town has entered into a capital lease with the Porter Municipal Building Corporation (the lessor). The lessor was organized as a not for profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the years 2010 and 2011 totaled \$82,000 and \$84,000, respectively.

Note 8. Combined Funds

Funds related to police and park donations were reported as a combined donation fund in the prior financial statements but were reported individually for the current financial statements.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's Annual Report information for years 2011 and later 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 PORTER
 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	LECED	Park	Park Rental/Security Depot	Rainy Day
Cash and investments - beginning	\$ 1,689,965	\$ 555,305	\$ 62,628	\$ 28,816	\$ 109,077	\$ 5,463	\$ 58,570
Receipts:							
Taxes	1,151,917	427,260	-	-	93,740	-	-
Licenses and permits	114,577	-	-	4,217	-	-	-
Intergovernmental	166,693	181,373	84,852	-	9,581	-	192,366
Charges for services	463,508	-	-	-	15,000	15,090	-
Fines and forfeits	50	-	-	17,100	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	373,554	118,055	-	-	59,943	-	412,000
Total receipts	2,270,299	726,688	84,852	21,317	178,264	15,090	604,366
Disbursements:							
Personal services	1,281,513	260,392	-	-	103,400	-	-
Supplies	160,735	120,664	12,455	-	8,641	-	-
Other services and charges	632,462	117,198	49,311	15,306	32,145	-	187,447
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	36,153	63,751	-	-	4,568	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,176,259	412,707	-	-	99,009	15,175	-
Total disbursements	3,287,122	974,712	61,766	15,306	247,763	15,175	187,447
Excess (deficiency) of receipts over disbursements	(1,016,823)	(248,024)	23,086	6,011	(69,499)	(85)	416,919
Cash and investments - ending	<u>\$ 673,142</u>	<u>\$ 307,281</u>	<u>\$ 85,714</u>	<u>\$ 34,827</u>	<u>\$ 39,578</u>	<u>\$ 5,378</u>	<u>\$ 475,489</u>

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

	Major Moves	CCI	CCD	Redevelopment Commission	RDC Construction Series B	CEDIT	PERF 77 Fund
Cash and investments - beginning	\$ 193,381	\$ 90,281	\$ 55,485	\$ 1,767,390	\$ -	\$ 120,987	\$ 6,244
Receipts:							
Taxes	-	-	106,593	1,033,675	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	245,000	14,557	10,683	967,481	-	365,748	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	591	305,373	909,130	545,800	28,674
Total receipts	<u>245,000</u>	<u>14,557</u>	<u>117,867</u>	<u>2,306,529</u>	<u>909,130</u>	<u>911,548</u>	<u>28,674</u>
Disbursements:							
Personal services	-	-	-	21,742	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	1,268,286	-	433,775	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	174,686	-	95,289	353,154	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	68,000	28,674
Total disbursements	<u>174,686</u>	<u>-</u>	<u>95,289</u>	<u>1,643,182</u>	<u>-</u>	<u>501,775</u>	<u>28,674</u>
Excess (deficiency) of receipts over disbursements	<u>70,314</u>	<u>14,557</u>	<u>22,578</u>	<u>663,347</u>	<u>909,130</u>	<u>409,773</u>	<u>-</u>
Cash and investments - ending	<u>\$ 263,695</u>	<u>\$ 104,838</u>	<u>\$ 78,063</u>	<u>\$ 2,430,737</u>	<u>\$ 909,130</u>	<u>\$ 530,760</u>	<u>\$ 6,244</u>

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

	Police Donations	Police Officer/Vests	Park Donations	General Town Hall Donations	Fire Donations	Fire Grants	Lake Michigan Marina Grant
Cash and investments - beginning	\$ 3,682	\$ 23,963	\$ 1,579	\$ 5	\$ 5,000	\$ 60	\$ 15,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	136,000	-	-	-	-	3,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	523	-	2,140	1,875	-	-	-
Total receipts	<u>523</u>	<u>136,000</u>	<u>2,140</u>	<u>1,875</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	4,200	-	-	-	-	-	-
Other services and charges	-	-	2,225	1,825	5,000	-	7,144
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	68,000	-	-	-	60	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>4,200</u>	<u>68,000</u>	<u>2,225</u>	<u>1,825</u>	<u>5,000</u>	<u>60</u>	<u>7,144</u>
Excess (deficiency) of receipts over disbursements	<u>(3,677)</u>	<u>68,000</u>	<u>(85)</u>	<u>50</u>	<u>(5,000)</u>	<u>(60)</u>	<u>(4,144)</u>
Cash and investments - ending	<u>\$ 5</u>	<u>\$ 91,963</u>	<u>\$ 1,494</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,856</u>

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

	Fire/DNR Grants	Fire	Excess Levy	Debt/Lease Police	RDC Reserve Series B	RDC Construction Series A	RDC Reserve Series A
Cash and investments - beginning	\$ -	\$ 165,502	\$ -	\$ 76,318	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	205,209	-	74,239	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,764	20,649	-	7,682	-	-	-
Charges for services	-	11,920	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	86,371	6,157	39,705	90,993	3,734,805	365,195
Total receipts	<u>4,764</u>	<u>324,149</u>	<u>6,157</u>	<u>121,626</u>	<u>90,993</u>	<u>3,734,805</u>	<u>365,195</u>
Disbursements:							
Personal services	-	76,611	-	-	-	-	-
Supplies	-	29,598	-	-	-	-	-
Other services and charges	4,764	78,358	-	-	-	36,995	-
Debt service - principal and interest	-	-	-	82,000	-	-	-
Capital outlay	-	-	-	-	-	4,282	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	256,309	-	115,680	-	-	-
Total disbursements	<u>4,764</u>	<u>440,876</u>	<u>-</u>	<u>197,680</u>	<u>-</u>	<u>41,277</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(116,727)</u>	<u>6,157</u>	<u>(76,054)</u>	<u>90,993</u>	<u>3,693,528</u>	<u>365,195</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 48,775</u>	<u>\$ 6,157</u>	<u>\$ 264</u>	<u>\$ 90,993</u>	<u>\$ 3,693,528</u>	<u>\$ 365,195</u>

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

	Federal Tax	State	SS & Medicare Withholding	Local Tax	BCBS	Porter Co - 697 Bankruptcy - 698	PERF
Cash and investments - beginning	\$ 2	\$ 3,007	\$ -	\$ 1,576	\$ 1,233	\$ 160	\$ 5,233
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	188,272	55,940	88,568	7,617	33,610	4,643	25,651
Total receipts	<u>188,272</u>	<u>55,940</u>	<u>88,568</u>	<u>7,617</u>	<u>33,610</u>	<u>4,643</u>	<u>25,651</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	188,272	55,922	88,568	7,619	33,947	4,643	24,715
Total disbursements	<u>188,272</u>	<u>55,922</u>	<u>88,568</u>	<u>7,619</u>	<u>33,947</u>	<u>4,643</u>	<u>24,715</u>
Excess (deficiency) of receipts over disbursements	-	18	-	(2)	(337)	-	936
Cash and investments - ending	<u>\$ 2</u>	<u>\$ 3,025</u>	<u>\$ -</u>	<u>\$ 1,574</u>	<u>\$ 896</u>	<u>\$ 160</u>	<u>\$ 6,169</u>

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

	Sewer PR Transfer	Stormwater	Sewage Utility	Sewage Sinking	Sewage Construction	Sewage Debt Reserve	Totals
Cash and investments - beginning	\$ 4,834	\$ 74,241	\$ 152,830	\$ 2	\$ 21,837	\$ 6	\$ 5,299,662
Receipts:							
Taxes	-	-	-	-	-	-	3,092,633
Licenses and permits	-	-	-	-	-	-	118,794
Intergovernmental	-	-	-	-	-	-	2,410,429
Charges for services	-	-	-	-	-	-	505,518
Fines and forfeits	-	-	-	-	-	-	17,150
Utility fees	-	150,406	1,525,826	-	-	-	1,676,232
Penalties	-	2,912	-	-	-	-	2,912
Other receipts	376,819	-	24,919	-	15,023	-	7,901,946
Total receipts	<u>376,819</u>	<u>153,318</u>	<u>1,550,745</u>	<u>-</u>	<u>15,023</u>	<u>-</u>	<u>15,725,614</u>
Disbursements:							
Personal services	-	-	-	-	-	-	1,743,658
Supplies	-	-	-	-	-	-	336,293
Other services and charges	-	-	-	-	-	-	2,872,241
Debt service - principal and interest	-	-	-	-	-	-	82,000
Capital outlay	-	83,835	78,504	-	-	-	962,282
Utility operating expenses	-	53,517	1,450,246	-	618	-	1,504,381
Other disbursements	374,733	-	-	-	-	-	2,950,232
Total disbursements	<u>374,733</u>	<u>137,352</u>	<u>1,528,750</u>	<u>-</u>	<u>618</u>	<u>-</u>	<u>10,451,087</u>
Excess (deficiency) of receipts over disbursements	<u>2,086</u>	<u>15,966</u>	<u>21,995</u>	<u>-</u>	<u>14,405</u>	<u>-</u>	<u>5,274,527</u>
Cash and investments - ending	<u>\$ 6,920</u>	<u>\$ 90,207</u>	<u>\$ 174,825</u>	<u>\$ 2</u>	<u>\$ 36,242</u>	<u>\$ 6</u>	<u>\$ 10,574,189</u>

TOWN OF PORTER
 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	LECED	Park	Park Rental/Security Depot	Rainy Day
Cash and investments - beginning	\$ 673,142	\$ 307,281	\$ 85,714	\$ 34,827	\$ 39,578	\$ 5,378	\$ 475,489
Receipts:							
Taxes	1,184,658	401,966	-	-	99,533	-	-
Licenses and permits	88,520	-	-	1,980	-	-	-
Intergovernmental	164,260	176,294	60,527	-	9,267	-	-
Charges for services	482,001	-	-	-	40,800	-	-
Fines and forfeits	-	-	-	5,012	16,410	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	350,847	2,308	-	-	22,027	-	-
Total receipts	<u>2,270,286</u>	<u>580,568</u>	<u>60,527</u>	<u>6,992</u>	<u>188,037</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	1,315,903	292,924	-	-	113,230	-	-
Supplies	111,752	127,296	33,788	-	9,391	-	-
Other services and charges	641,049	97,263	80,868	9,522	22,471	-	-
Debt service - principal and interest	336,623	9,261	-	-	22,123	-	-
Capital outlay	5,747	70,438	-	-	2,920	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	22,899	-	-	-	16,065	-	-
Total disbursements	<u>2,433,973</u>	<u>597,182</u>	<u>114,656</u>	<u>9,522</u>	<u>186,200</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(163,687)</u>	<u>(16,614)</u>	<u>(54,129)</u>	<u>(2,530)</u>	<u>1,837</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 509,455</u>	<u>\$ 290,667</u>	<u>\$ 31,585</u>	<u>\$ 32,297</u>	<u>\$ 41,415</u>	<u>\$ 5,378</u>	<u>\$ 475,489</u>

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

	Major Moves	CCI	CCD	Redevelopment Commission	RDC Construction Series B	CEDIT Transfer From CEDIT Series B	CEDIT
Cash and investments - beginning	\$ 263,695	\$ 104,838	\$ 78,063	\$ 2,430,737	\$ 909,130	\$ -	\$ 530,760
Receipts:							
Taxes	-	-	102,516	473,574	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,950	14,278	9,544	-	-	-	292,302
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	459,952	580	51,473	68,989
Total receipts	1,950	14,278	112,060	933,526	580	51,473	361,291
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	88	-	-	-
Other services and charges	-	-	-	1,396,775	-	-	-
Debt service - principal and interest	-	-	-	-	-	51,473	-
Capital outlay	167,042	-	69,491	1,163,967	320,451	-	194,902
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	206,467	-	-	53,992
Total disbursements	167,042	-	69,491	2,767,297	320,451	51,473	248,894
Excess (deficiency) of receipts over disbursements	(165,092)	14,278	42,569	(1,833,771)	(319,871)	-	112,397
Cash and investments - ending	\$ 98,603	\$ 119,116	\$ 120,632	\$ 596,966	\$ 589,259	\$ -	\$ 643,157

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

	PERF 77 Fund	RDC Transfer From RDC Gen Series A	Police Donations	Police Officer/Vests	Park Donations	General Town Hall Donations	Lake Michigan Marina Grant
Cash and investments - beginning	\$ 6,244	\$ -	\$ 5	\$ 91,963	\$ 1,494	\$ 55	\$ 10,856
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	4,644
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	29,560	206,467	1,175	-	9,921	-	-
Total receipts	<u>29,560</u>	<u>206,467</u>	<u>1,175</u>	<u>-</u>	<u>9,921</u>	<u>-</u>	<u>4,644</u>
Disbursements:							
Personal services	-	-	-	5,959	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	2,017	-	-
Debt service - principal and interest	-	206,467	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	29,338	-	-	68,000	-	-	-
Total disbursements	<u>29,338</u>	<u>206,467</u>	<u>-</u>	<u>73,959</u>	<u>2,017</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>222</u>	<u>-</u>	<u>1,175</u>	<u>(73,959)</u>	<u>7,904</u>	<u>-</u>	<u>4,644</u>
Cash and investments - ending	<u>\$ 6,466</u>	<u>\$ -</u>	<u>\$ 1,180</u>	<u>\$ 18,004</u>	<u>\$ 9,398</u>	<u>\$ 55</u>	<u>\$ 15,500</u>

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

	Fire	Excess Levy	Debt/Lease Police	RDC Reserve Series B	RDC Construction Series A	RDC Reserve Series A	Federal Tax
Cash and investments - beginning	\$ 48,775	\$ 6,157	\$ 264	\$ 90,993	\$ 3,693,528	\$ 365,195	\$ 2
Receipts:							
Taxes	187,130	-	71,825	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	17,422	-	6,687	-	-	-	-
Charges for services	34,598	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	54,147	-	38,605	-	-	-	213,671
Total receipts	<u>293,297</u>	<u>-</u>	<u>117,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,671</u>
Disbursements:							
Personal services	81,625	-	-	-	-	-	-
Supplies	37,543	-	-	-	-	-	-
Other services and charges	85,057	-	-	-	-	-	-
Debt service - principal and interest	48,554	-	116,036	-	-	-	-
Capital outlay	-	-	-	-	485,017	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,345	-	-	-	213,671
Total disbursements	<u>252,779</u>	<u>-</u>	<u>117,381</u>	<u>-</u>	<u>485,017</u>	<u>-</u>	<u>213,671</u>
Excess (deficiency) of receipts over disbursements	<u>40,518</u>	<u>-</u>	<u>(264)</u>	<u>-</u>	<u>(485,017)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 89,293</u>	<u>\$ 6,157</u>	<u>\$ -</u>	<u>\$ 90,993</u>	<u>\$ 3,208,511</u>	<u>\$ 365,195</u>	<u>\$ 2</u>

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

	State	SS & Medicare Withholding	Local Tax	BCBS	Porter Co - 697 Bankruptcy - 698	PERF	Sewer PR Transfer
Cash and investments - beginning	\$ 3,025	\$ -	\$ 1,574	\$ 896	\$ 160	\$ 6,169	\$ 6,920
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	57,210	68,870	7,819	38,253	4,723	25,601	363,720
Total receipts	<u>57,210</u>	<u>68,870</u>	<u>7,819</u>	<u>38,253</u>	<u>4,723</u>	<u>25,601</u>	<u>363,720</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	57,217	68,870	7,820	38,659	4,723	26,548	366,211
Total disbursements	<u>57,217</u>	<u>68,870</u>	<u>7,820</u>	<u>38,659</u>	<u>4,723</u>	<u>26,548</u>	<u>366,211</u>
Excess (deficiency) of receipts over disbursements	<u>(7)</u>	<u>-</u>	<u>(1)</u>	<u>(406)</u>	<u>-</u>	<u>(947)</u>	<u>(2,491)</u>
Cash and investments - ending	<u>\$ 3,018</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 490</u>	<u>\$ 160</u>	<u>\$ 5,222</u>	<u>\$ 4,429</u>

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

	Stormwater	Sewage Utility	Sewage Sinking	Sewage Construction	Sewage Debt Reserve	Totals
Cash and investments - beginning	\$ 90,207	\$ 174,825	\$ 2	\$ 36,242	\$ 6	\$ 10,574,189
Receipts:						
Taxes	-	-	-	-	-	2,521,202
Licenses and permits	-	-	-	-	-	90,500
Intergovernmental	-	-	-	-	-	757,175
Charges for services	-	-	-	-	-	557,399
Fines and forfeits	-	-	-	-	-	21,422
Utility fees	155,441	1,694,036	-	6,002	-	1,855,479
Penalties	3,115	27,538	-	-	-	30,653
Other receipts	500	128,526	-	72,025	-	2,276,969
Total receipts	<u>159,056</u>	<u>1,850,100</u>	<u>-</u>	<u>78,027</u>	<u>-</u>	<u>8,110,799</u>
Disbursements:						
Personal services	-	-	-	-	-	1,809,641
Supplies	-	-	-	-	-	319,858
Other services and charges	-	-	-	-	-	2,335,022
Debt service - principal and interest	-	68,308	-	-	-	858,845
Capital outlay	81,270	35,367	-	32,150	-	2,628,762
Utility operating expenses	39,057	1,389,634	-	310	-	1,429,001
Other disbursements	-	226,638	-	-	-	1,408,463
Total disbursements	<u>120,327</u>	<u>1,719,947</u>	<u>-</u>	<u>32,460</u>	<u>-</u>	<u>10,789,592</u>
Excess (deficiency) of receipts over disbursements	<u>38,729</u>	<u>130,153</u>	<u>-</u>	<u>45,567</u>	<u>-</u>	<u>(2,678,793)</u>
Cash and investments - ending	<u>\$ 128,936</u>	<u>\$ 304,978</u>	<u>\$ 2</u>	<u>\$ 81,809</u>	<u>\$ 6</u>	<u>\$ 7,895,396</u>

TOWN OF PORTER
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 20,617	\$ -
Storm Water	-	-
Wastewater	-	-
Totals	<u>\$ 20,617</u>	<u>\$ -</u>

TOWN OF PORTER
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Porter Bank	Purchase Vac Truck	\$ 62,477	11-15-08	11-15-12
		<u> -</u>		
	Total governmental activities	<u>62,477</u>		
	Total of annual lease payments	<u>\$ 62,477</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	The construction and equipping of a new police station building	\$ 460,000	\$ 79,165
Revenue bonds	Redevelopment District Tax Increment Revenue Bonds 2010A	3,990,000	353,865
Revenue bonds	Redevelopment District Tax CEDIT Revenue Bonds 2010B	975,000	82,673
Notes and loans payable	1977 Police Buy Back	<u>37,316</u>	<u>19,738</u>
	Total governmental activities	<u>5,462,316</u>	<u>535,441</u>
Totals		<u>\$ 5,462,316</u>	<u>\$ 535,441</u>

TOWN OF PORTER
 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	\$ 1,437,500
Infrastructure	7,049,230
Buildings	774,472
Machinery, equipment, and vehicles	7,853,655
Total governmental activities	17,114,857
Wastewater:	
Infrastructure	5,867,834
Machinery, equipment, and vehicles	352,000
Total Wastewater	6,219,834
Total capital assets	\$ 23,334,691

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TOWN OF PORTER
EXAMINATION RESULTS AND COMMENTS

TRANSFER OF EXCESS LEVY FUND BALANCE

The budget order issued by the Department of Local Government Finance for the year 2011 instructed the Town to transfer the balance of the Excess Levy Fund to the General Fund in the amount of \$6,157.36. The transfer has not been made as of February 2013.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONTRACTS

The Town entered into a contract with Northern Indiana Public Service Company (NIPSCO) on July 3, 1985. In exchange for the Town providing police and fire services to NIPSCO at its "Industry Property", NIPSCO agreed to pay the Town \$150,000 per year. The contract states it is for a term ending December 31, 1990. There is also a clause in the contract that states, the following:

"This Agreement shall continue in full force and effect for an indeterminate number of four (4) year terms after the initial six (6) year term subject to the same terms and conditions, or as amended by the parties, unless either of the parties hereto shall notify the other writing of its intention to terminate the same at least twelve (12) months prior to the expiration of the additional four (4) year term."

No additional agreements or amendments to the terms of this agreement have been initiated by either of the parties to the contract.

In 2011 and 2012 the Town received from NIPSCO, \$149,701 and \$127,811, respectively, leaving balances of \$299 and \$22,189 owed to the Town. The Town has not pursued collection of the amounts not remitted in accordance with the Contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

REPORTING OF GOVERNMENTAL ASSISTANCE

The Town provided assistance to the Porter Volunteer Fire Department, which was not reported in the appropriate section of their annual report, as required.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

TOWN OF PORTER
EXAMINATION RESULTS AND COMMENTS
(Continued)

ORDINANCES AND RESOLUTIONS

The Sewage Rate Ordinance No. 2010-08 indicates treatment base rates are determined by the water meter size; however, all residents and businesses, except those without a water meter, are charged at the lowest base rate. Records are not available to indicate the water meter size, but Town officials determined that there are customers with larger meters, who are not being charged in accordance with the ordinance.

The Park Department charges rental fees for park facilities, which have not been addressed in an ordinance.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-10-3-22 states in part:

"(a) Park and recreation facilities and programs shall be made available to the public free of charge as far as possible. However, if it is necessary in order to provide a particular activity, the board may charge a reasonable fee.

(b) The unit's fiscal body may establish by ordinance, upon request of the board:

- (1) a special nonreverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body; or
- (2) a special nonreverting capital fund for the purpose of acquiring land or making specific capital improvements from which expenditures may be made by appropriation by the unit's fiscal body.

The unit's fiscal body shall designate the fund or funds into which the unit's fiscal officer (or county treasurer) shall deposit fees from golf courses, swimming pools, skating rinks, or other major facilities requiring major expenditures for management and maintenance.

Money received from fees other than from major facilities or received from the sale of surplus property shall be deposited by the unit's fiscal officer (or county treasurer) either in the special nonreverting operating fund or in the nonreverting capital fund, as directed by the board. However, if neither fund has been established, money received from fees or from the sale of surplus property shall be deposited in the unit's general fund. Money from either special fund may be disbursed only on approved claims allowed and signed by the president and secretary of the board."

REDEVELOPMENT INVESTMENT AND REPORTING

The Redevelopment Commission has an investment at Centier Bank. The interest earned on the investment is added to the principal and automatically renewed at maturity and not recorded in the records of the Town. The investment balance, which was in excess of \$200,000 at December 31, 2010, and 2011, was not reported in the City and Town Annual Report (CTAR) in 2010 or in the Gateway Annual Financial Report in 2011.

TOWN OF PORTER
EXAMINATION RESULTS AND COMMENTS
(Continued)

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

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PUBLIC PURCHASES LAW

The Town purchased several vehicles for various departments during the examination period with costs ranging from \$28,000 to \$61,000. Documentation was not available for review to determine if quotes were solicited for the purchase of the vehicles.

If the purchasing agent expects the purchase to be at least \$25,000 and not more than \$75,000, the purchasing agent may purchase supplies by inviting quotes from at least three persons known to deal in the lines or classes of supplies to be purchased. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF PORTER
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2013, with Carol Pomeroy, Clerk-Treasurer, and Elka Nelson, President of the Town Council.