

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF VEVAY

SWITZERLAND COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
07/16/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donna Graham	01-01-08 to 12-31-15
President of the Town Council	Tye Sullivan James Hayes Joshua South	01-01-10 to 12-31-11 01-01-12 to 03-31-13 04-01-13 to 12-31-13
Superintendent of Utilities	Terry Brindley	01-01-10 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 VEVAY, SWITZERLAND COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Vevay (Town), for the year ended December 31, 2010. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 statement 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 statement 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 statement 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 year.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does 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 year ended December 31, 2010.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, 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 statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on it.

Bruce Hartman  
State Examiner

May 21, 2013

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## FINANCIAL STATEMENT

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

TOWN OF VEVAY  
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	\$ 114,334	\$ 483,822	\$ 423,211	\$ 174,945
MVH	5,393	52,236	63,585	(5,956)
Road And Street	(6,608)	5,724	71	(955)
Perpetual Maintenance	249,771	8,339	-	258,110
Cemetery	4,009	34,020	52,814	(14,785)
Animal Shelter	25	162	60	127
Trash	(17,558)	102,090	94,077	(9,545)
LECE	2,584	1,225	2,500	1,309
Gaming Fund	701,511	814,725	694,180	822,056
Riverboat Revenue Sharing	4,887	17,199	17,199	4,887
Park & Recreation	10,347	10,294	29,453	(8,812)
Park Donation	6,728	32,425	27,775	11,378
Cemetery Donation	1,885	1,100	-	2,985
Rainy Day Fund	(22,811)	22,811	-	-
Levy Excess Fund	-	1,007	-	1,007
Ccif	18,182	5,081	-	23,263
Police Eq (Not Debt Ser	1,360	64,316	65,122	554
Storm Sewer-Nonrvt-Cap	85,475	8,650	19,086	75,039
Payroll	-	381,336	381,336	-
Payroll-Federal W/H	-	41,662	41,662	-
Payroll-State W/H	1,758	16,656	18,414	-
Payroll-Coit	468	4,276	4,744	-
Payroll-Medicare	20	14,119	14,139	-
Health Savings Account	708	11,584	12,292	-
Payroll-Fica	85	60,368	60,453	-
Payroll-Insurance 1	148	1,771	1,919	-
Payroll-Insurance 2	379	4,060	4,439	-
Payroll-Retirement	750	8,854	9,604	-
Payroll-J.Miller Util. Bil	-	2,210	2,210	-
Sewage Operating	60,130	304,146	286,752	77,524
Sewage Depreciation	8,948	-	8,948	-
Sewage Deposit	9,042	280	-	9,322
Sewage Utl Const In Pro	-	34,755	27,182	7,573
Sewage Sinking	34,728	27	34,755	-
Water Operating	46,343	236,086	245,981	36,448
Water Depreciation	2,224	-	-	2,224
Water Meter Deposit	16,756	350	-	17,106
Water Construction	62,258	-	62,258	-
Wastewater Utility - Reserve	39,606	-	-	39,606
Nine West Building	451,218	9,756	-	460,974
Totals	<u>\$ 1,895,083</u>	<u>\$ 2,797,522</u>	<u>\$ 2,706,221</u>	<u>\$ 1,986,384</u>

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

TOWN OF VEVAY  
NOTES TO FINANCIAL STATEMENT

**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, culture and recreation, public improvements, general administrative services, water, wastewater, storm water, and trash.

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is 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 statement. 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.

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

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling

TOWN OF VEVAY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. 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.

*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.

TOWN OF VEVAY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

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.

TOWN OF VEVAY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of expending more funds than were available either in the current year or prior years.

**Note 7. Combined Funds**

Funds related to Payroll and Riverboat were reported individually in the current financial statement but were combined into one fund for the prior 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/](http://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 statement contained in this report and the financial information presented in the Annual Report of the Town which is 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 VEVAY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	MVH	Road And Street	Perpetual Maintenance	Cemetery	Animal Shelter	Trash
Cash and investments - beginning	\$ 114,334	\$ 5,393	\$ (6,608)	\$ 249,771	\$ 4,009	\$ 25	\$ (17,558)
Receipts:							
Taxes	275,954	2,817	-	-	-	-	-
Intergovernmental	163,622	49,419	5,724	-	-	-	-
Charges for services	-	-	-	8,284	34,020	-	102,090
Fines and forfeits	-	-	-	-	-	162	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	44,246	-	-	55	-	-	-
Total receipts	<u>483,822</u>	<u>52,236</u>	<u>5,724</u>	<u>8,339</u>	<u>34,020</u>	<u>162</u>	<u>102,090</u>
Disbursements:							
Personal services	323,948	55,175	-	-	41,568	-	-
Supplies	17,185	8,410	71	-	4,961	60	-
Other services and charges	82,078	-	-	-	-	-	93,960
Capital outlay	-	-	-	-	6,285	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	117
Total disbursements	<u>423,211</u>	<u>63,585</u>	<u>71</u>	<u>-</u>	<u>52,814</u>	<u>60</u>	<u>94,077</u>
Excess (deficiency) of receipts over disbursements	<u>60,611</u>	<u>(11,349)</u>	<u>5,653</u>	<u>8,339</u>	<u>(18,794)</u>	<u>102</u>	<u>8,013</u>
Cash and investments - ending	<u>\$ 174,945</u>	<u>\$ (5,956)</u>	<u>\$ (955)</u>	<u>\$ 258,110</u>	<u>\$ (14,785)</u>	<u>\$ 127</u>	<u>\$ (9,545)</u>

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

	LECE	Gaming Fund	Riverboat Revenue Sharing	Park & Recreation	Park Donation	Cemetery Donation	Rainy Day Fund
Cash and investments - beginning	\$ 2,584	\$ 701,511	\$ 4,887	\$ 10,347	\$ 6,728	\$ 1,885	\$ (22,811)
Receipts:							
Taxes	-	-	-	7,520	-	-	-
Intergovernmental	-	814,725	17,199	769	-	-	-
Charges for services	535	-	-	2,005	-	-	-
Fines and forfeits	50	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	640	-	-	-	32,425	1,100	22,811
Total receipts	<u>1,225</u>	<u>814,725</u>	<u>17,199</u>	<u>10,294</u>	<u>32,425</u>	<u>1,100</u>	<u>22,811</u>
Disbursements:							
Personal services	-	-	-	18,795	-	-	-
Supplies	-	-	-	10,658	-	-	-
Other services and charges	2,500	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	694,180	17,199	-	27,775	-	-
Total disbursements	<u>2,500</u>	<u>694,180</u>	<u>17,199</u>	<u>29,453</u>	<u>27,775</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,275)</u>	<u>120,545</u>	<u>-</u>	<u>(19,159)</u>	<u>4,650</u>	<u>1,100</u>	<u>22,811</u>
Cash and investments - ending	<u>\$ 1,309</u>	<u>\$ 822,056</u>	<u>\$ 4,887</u>	<u>\$ (8,812)</u>	<u>\$ 11,378</u>	<u>\$ 2,985</u>	<u>\$ -</u>

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

	Levy Excess Fund	Ccif	Police Eq (Not Debt Ser	Storm Sewer- Nonrvt-Cap	Payroll	Payroll- Federal W/H	Payroll-State W/H
Cash and investments - beginning	\$ -	\$ 18,182	\$ 1,360	\$ 85,475	\$ -	\$ -	\$ 1,758
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	1,007	5,081	-	-	-	-	-
Charges for services	-	-	-	8,650	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	64,316	-	381,336	41,662	16,656
Total receipts	<u>1,007</u>	<u>5,081</u>	<u>64,316</u>	<u>8,650</u>	<u>381,336</u>	<u>41,662</u>	<u>16,656</u>
Disbursements:							
Personal services	-	-	-	-	381,336	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	65,122	19,086	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	41,662	18,414
Total disbursements	<u>-</u>	<u>-</u>	<u>65,122</u>	<u>19,086</u>	<u>381,336</u>	<u>41,662</u>	<u>18,414</u>
Excess (deficiency) of receipts over disbursements	<u>1,007</u>	<u>5,081</u>	<u>(806)</u>	<u>(10,436)</u>	<u>-</u>	<u>-</u>	<u>(1,758)</u>
Cash and investments - ending	<u>\$ 1,007</u>	<u>\$ 23,263</u>	<u>\$ 554</u>	<u>\$ 75,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll-Coit	Payroll-Medicare	Health Savings Account	Payroll-Fica	Payroll-Insurance 1	Payroll-Insurance 2	Payroll-Retirement
Cash and investments - beginning	\$ 468	\$ 20	\$ 708	\$ 85	\$ 148	\$ 379	\$ 750
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,276	14,119	11,584	60,368	1,771	4,060	8,854
Total receipts	<u>4,276</u>	<u>14,119</u>	<u>11,584</u>	<u>60,368</u>	<u>1,771</u>	<u>4,060</u>	<u>8,854</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,744	14,139	12,292	60,453	1,919	4,439	9,604
Total disbursements	<u>4,744</u>	<u>14,139</u>	<u>12,292</u>	<u>60,453</u>	<u>1,919</u>	<u>4,439</u>	<u>9,604</u>
Excess (deficiency) of receipts over disbursements	<u>(468)</u>	<u>(20)</u>	<u>(708)</u>	<u>(85)</u>	<u>(148)</u>	<u>(379)</u>	<u>(750)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll-J.Miller Util. Bil	Sewage Operating	Sewage Depreciation	Sewage Deposit	Sewage Util Const In Pro	Sewage Sinking	Water Operating
Cash and investments - beginning	\$ -	\$ 60,130	\$ 8,948	\$ 9,042	\$ -	\$ 34,728	\$ 46,343
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	255,177	-	-	-	-	163,096
Penalties	-	7,403	-	-	-	-	4,154
Other receipts	2,210	41,566	-	280	34,755	27	68,836
Total receipts	2,210	304,146	-	280	34,755	27	236,086
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	8,948	-	27,182	-	-
Utility operating expenses	-	284,352	-	-	-	-	243,406
Other disbursements	2,210	2,400	-	-	-	34,755	2,575
Total disbursements	2,210	286,752	8,948	-	27,182	34,755	245,981
Excess (deficiency) of receipts over disbursements	-	17,394	(8,948)	280	7,573	(34,728)	(9,895)
Cash and investments - ending	\$ -	\$ 77,524	\$ -	\$ 9,322	\$ 7,573	\$ -	\$ 36,448

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

	Water Depreciation	Water Meter Deposit	Water Construction	Wastewater Utility Reserve	Nine West Building	Totals
Cash and investments - beginning	\$ 2,224	\$ 16,756	\$ 62,258	\$ 39,606	\$ 451,218	\$ 1,895,083
Receipts:						
Taxes	-	-	-	-	-	286,291
Intergovernmental	-	-	-	-	-	1,057,546
Charges for services	-	-	-	-	-	155,584
Fines and forfeits	-	-	-	-	-	212
Utility fees	-	-	-	-	-	418,273
Penalties	-	-	-	-	-	11,557
Other receipts	-	350	-	-	9,756	868,059
Total receipts	-	350	-	-	9,756	2,797,522
Disbursements:						
Personal services	-	-	-	-	-	820,822
Supplies	-	-	-	-	-	41,345
Other services and charges	-	-	-	-	-	262,746
Capital outlay	-	-	62,258	-	-	104,673
Utility operating expenses	-	-	-	-	-	527,758
Other disbursements	-	-	-	-	-	948,877
Total disbursements	-	-	62,258	-	-	2,706,221
Excess (deficiency) of receipts over disbursements	-	350	(62,258)	-	9,756	91,301
Cash and investments - ending	\$ 2,224	\$ 17,106	\$ -	\$ 39,606	\$ 460,974	\$ 1,986,384

TOWN OF VEVAY  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES (Applies to Clerk-Treasurer)**

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31, 2010:

Fund	Amount Overdrawn
MVH	\$ 5,956
Road and Street	955
Cemetery	14,785
Trash	9,545
Park & Recreation	8,812

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**APPROPRIATIONS (Applies to Town Council and Clerk-Treasurer)**

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

Fund	Year	Excess Amount Expended
Park & Recreation	2010	\$ 8,278
Cemetery	2010	9,183

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

The Town expended \$694,180 in the year 2010 from the Riverboat Revenue Sharing Fund without annual appropriation being approved by the Town Council.

Indiana Code 36-5-4-2 states in part: "Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body . . ."

A similar comment was made in prior Reports B28601, B33719, and B38094.

**PURCHASE OF GASOLINE (Applies to Clerk-Treasurer)**

A review of two credit card claims for the purchase of gasoline totaling \$2,767.04 showed that the Clerk-Treasurer paid the credit card claims from a monthly statement. The supporting documentation (in the form of gas pump receipts) was not presented for examination. The Town has authorized the Police

TOWN OF VEVAY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Department, Parks/Cemetery Department, and the Utilities to purchase gasoline by using a BP credit card or a Shell credit card. Donna Graham, Clerk-Treasurer, stated that the employees did not retain and remit the gas pump invoices to her so she could match the purchases with the charges on the credit card statements. The following schedule shows the total gasoline purchases for the year 2010:

<u>Credit Card</u>	<u>2010</u>
BP Credit Card	\$ 14,299.69
Shell Credit Card	<u>10,140.58</u>
Total purchases	<u>\$ 24,440.27</u>

Indiana Code 5-11-10-1.6(c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; . . ."

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)

***ANNUAL REPORT (Applies to Clerk-Treasurer)***

The Annual Report for the year 2010 contained a number of errors and did not properly reflect the financial activity of the Town.

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."

A similar comment was reported in the prior Reports B33719 and B38094.

***GIFT CARDS (Applies to Town Council and Clerk-Treasurer)***

On December 20, 2010, the Town purchased 20 gift cards at \$100 each, totaling \$2,000, from MainSource Bank. The purchases of the gift cards were approved by the Town Council as Christmas gifts for all Town employees. The value of the gift cards was not included in the payroll system or on the salary ordinance or resolution for 2010.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF VEVAY  
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2013, with Donna Graham, Clerk-Treasurer, and Joshua South, President of the Town Council. The officials concurred with our findings.