

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF BLOOMINGDALE

PARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
01/30/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Peggy Brown Dea Ann Wallace	01-01-10 to 02-03-13 02-04-13 to 12-31-14
President of the Town Council	Jerry L. Newlin	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 BLOOMINGDALE, PARKE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Bloomington (Town), for the period of January 1, 2010 to December 31, 2012. 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 Indiana 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.

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, 2012.

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, 2012, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 30, 2013

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FINANCIAL STATEMENT

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 BLOOMINGDALE
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 Fund	\$ 10,256	\$ 46,075	\$ 43,495	\$ 12,836
Levy Excess Fund	550	-	-	550
Motor Vehicle	3,062	10,317	-	13,379
Local Road And Street	3,714	1,274	-	4,988
Riverboat	-	1,997	-	1,997
Community Building/Center	-	957	436	521
Rainy Day	-	1,263	-	1,263
Public Safety	6,537	3,181	2,227	7,491
Cumulative Capital Imp	2,178	935	-	3,113
Water Operating	66,672	199,438	219,476	46,634
Water Meter Deposit	8,475	100	-	8,575
Water Maintenance	23,280	10,670	-	33,950
Retainage-Kanzier	14,647	22	-	14,669
Water Debt Service	33,099	39,047	51,931	20,215
Project Grant Fund	342	-	119	223
Totals	<u>\$ 172,812</u>	<u>\$ 315,276</u>	<u>\$ 317,684</u>	<u>\$ 170,404</u>

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

TOWN OF BLOOMINGDALE
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 Fund	\$ 12,836	\$ 44,393	\$ 53,988	\$ 3,241
Motor Vehicle	13,379	9,882	21,719	1,542
Local Roads and Streets	4,988	1,105	5,761	332
Riverboat	1,997	1,996	3,896	97
Rainy Day	1,263	-	1,262	1
Cumulative Capital Imp	3,113	1,579	3,500	1,192
Levy Excess Fund	550	4,039	550	4,039
Community Building/Center	521	931	1,646	(194)
Public Safety	7,491	2,889	4,691	5,689
Kanzier-Escrow	14,669	15	-	14,684
Water Operating	46,634	181,209	192,420	35,423
Water Meter Deposit	8,575	400	-	8,975
Water Maintenance	33,950	10,670	-	44,620
Water Debt Service	20,215	47,028	46,949	20,294
Project Grant Fund	223	-	70	153
Totals	<u>\$ 170,404</u>	<u>\$ 306,136</u>	<u>\$ 336,452</u>	<u>\$ 140,088</u>

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

TOWN OF BLOOMINGDALE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 3,241	\$ 32,418	\$ 45,709	\$ (10,050)
Motor Vehicle	1,542	10,511	5,000	7,053
Local Roads and Streets	332	1,247	-	1,579
Riverboat	97	-	-	97
Rainy Day	1	-	-	1
CEDIT	-	3,365	-	3,365
Cumulative Capital Imp	1,192	8,397	-	9,589
Levy Excess Fund	4,039	55	-	4,094
Community Building/Center	(194)	-	376	(570)
Public Safety	5,689	3,364	2,227	6,826
Kanzier-Escrow	14,684	15	-	14,699
Water Operating	35,423	207,424	225,353	17,494
Water Meter Deposit	8,975	100	-	9,075
Water Maintenance	44,620	8,960	-	53,580
Water Debt Service	20,294	48,029	61,299	7,024
Project Grant Fund	153	5,000	5,153	-
Totals	<u>\$ 140,088</u>	<u>\$ 328,885</u>	<u>\$ 345,117</u>	<u>\$ 123,856</u>

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

TOWN OF BLOOMINGDALE
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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

TOWN OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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.

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 BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

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

Note 6. Cash Balance Deficits

The financial statements contain some funds with deficits in cash. This is a result of expenditures exceeding the budgeted appropriations.

Note 7. Subsequent Events

The Town has contracted for a water treatment plant improvement project. The project will be funded in part by a \$500,000 Community Development Block Grant and proceeds of \$495,000 from the State Revolving Loan Fund.

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

	General Fund	Levy Excess Fund	Motor Vehicle	Local Road And Street	Riverboat	Community Building/Center	Rainy Day	Public Safety
Cash and investments - beginning	\$ 10,256	\$ 550	\$ 3,062	\$ 3,714	\$ -	\$ -	\$ -	\$ 6,537
Receipts:								
Utility fees	-	-	-	-	-	-	-	-
Other receipts	46,075	-	10,317	1,274	1,997	957	1,263	3,181
Total receipts	46,075	-	10,317	1,274	1,997	957	1,263	3,181
Disbursements:								
Personal services	3,585	-	-	-	-	-	-	-
Supplies	2,031	-	-	-	-	436	-	-
Other services and charges	37,879	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	2,227
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	43,495	-	-	-	-	436	-	2,227
Excess (deficiency) of receipts over disbursements	2,580	-	10,317	1,274	1,997	521	1,263	954
Cash and investments - ending	\$ 12,836	\$ 550	\$ 13,379	\$ 4,988	\$ 1,997	\$ 521	\$ 1,263	\$ 7,491

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

	Cumulative Capital Imp	Water Operating	Water Meter Deposit	Water Maintenance	Retainage- Kanzier	Water Debt Service	Project Grant Fund	Totals
Cash and investments - beginning	\$ 2,178	\$ 66,672	\$ 8,475	\$ 23,280	\$ 14,647	\$ 33,099	\$ 342	\$ 172,812
Receipts:								
Utility fees	-	199,438	100	10,670	-	39,047	-	249,255
Other receipts	935	-	-	-	22	-	-	66,021
Total receipts	935	199,438	100	10,670	22	39,047	-	315,276
Disbursements:								
Personal services	-	-	-	-	-	-	-	3,585
Supplies	-	-	-	-	-	-	-	2,467
Other services and charges	-	-	-	-	-	-	-	37,879
Debt service - principal and interest	-	-	-	-	-	51,931	-	54,158
Utility operating expenses	-	219,476	-	-	-	-	-	219,476
Other disbursements	-	-	-	-	-	-	119	119
Total disbursements	-	219,476	-	-	-	51,931	119	317,684
Excess (deficiency) of receipts over disbursements	935	(20,038)	100	10,670	22	(12,884)	(119)	(2,408)
Cash and investments - ending	\$ 3,113	\$ 46,634	\$ 8,575	\$ 33,950	\$ 14,669	\$ 20,215	\$ 223	\$ 170,404

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

	General Fund	Motor Vehicle	Local Roads and Streets	Riverboat	Rainy Day	Cumulative Capital Imp	Levy Excess Fund	Community Building/Center
Cash and investments - beginning	\$ 12,836	\$ 13,379	\$ 4,988	\$ 1,997	\$ 1,263	\$ 3,113	\$ 550	\$ 521
Receipts:								
Taxes	44,393	-	-	-	-	-	-	-
Intergovernmental	-	9,882	1,105	1,996	-	1,579	4,039	-
Charges for services	-	-	-	-	-	-	-	931
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>44,393</u>	<u>9,882</u>	<u>1,105</u>	<u>1,996</u>	<u>-</u>	<u>1,579</u>	<u>4,039</u>	<u>931</u>
Disbursements:								
Personal services	-	-	-	3,896	-	-	550	-
Supplies	-	-	-	-	-	-	-	1,646
Other services and charges	53,988	21,719	-	-	1,262	3,500	-	-
Capital outlay	-	-	5,761	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>53,988</u>	<u>21,719</u>	<u>5,761</u>	<u>3,896</u>	<u>1,262</u>	<u>3,500</u>	<u>550</u>	<u>1,646</u>
Excess (deficiency) of receipts over disbursements	<u>(9,595)</u>	<u>(11,837)</u>	<u>(4,656)</u>	<u>(1,900)</u>	<u>(1,262)</u>	<u>(1,921)</u>	<u>3,489</u>	<u>(715)</u>
Cash and investments - ending	<u>\$ 3,241</u>	<u>\$ 1,542</u>	<u>\$ 332</u>	<u>\$ 97</u>	<u>\$ 1</u>	<u>\$ 1,192</u>	<u>\$ 4,039</u>	<u>\$ (194)</u>

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

	Public Safety	Kanzier-Escrow	Water Operating	Water Meter Deposit	Water Maintenance	Water Debt Service	Project Grant Fund	Totals
Cash and investments - beginning	\$ 7,491	\$ 14,669	\$ 46,634	\$ 8,575	\$ 33,950	\$ 20,215	\$ 223	\$ 170,404
Receipts:								
Taxes	-	-	-	-	-	-	-	44,393
Intergovernmental	2,889	-	-	-	-	-	-	21,490
Charges for services	-	-	-	-	-	-	-	931
Utility fees	-	-	181,209	-	10,670	47,028	-	238,907
Other receipts	-	15	-	400	-	-	-	415
Total receipts	<u>2,889</u>	<u>15</u>	<u>181,209</u>	<u>400</u>	<u>10,670</u>	<u>47,028</u>	<u>-</u>	<u>306,136</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	4,446
Supplies	-	-	-	-	-	-	-	1,646
Other services and charges	-	-	-	-	-	-	-	80,469
Capital outlay	4,691	-	-	-	-	-	-	10,452
Utility operating expenses	-	-	192,420	-	-	-	-	192,420
Other disbursements	-	-	-	-	-	46,949	70	47,019
Total disbursements	<u>4,691</u>	<u>-</u>	<u>192,420</u>	<u>-</u>	<u>-</u>	<u>46,949</u>	<u>70</u>	<u>336,452</u>
Excess (deficiency) of receipts over disbursements	<u>(1,802)</u>	<u>15</u>	<u>(11,211)</u>	<u>400</u>	<u>10,670</u>	<u>79</u>	<u>(70)</u>	<u>(30,316)</u>
Cash and investments - ending	<u>\$ 5,689</u>	<u>\$ 14,684</u>	<u>\$ 35,423</u>	<u>\$ 8,975</u>	<u>\$ 44,620</u>	<u>\$ 20,294</u>	<u>\$ 153</u>	<u>\$ 140,088</u>

TOWN OF BLOOMINGDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General Fund	Motor Vehicle	Local Roads and Streets	Riverboat	Rainy Day	CEDIT	Cumulative Capital Imp	Levy Excess Fund	Community Building/Center
Cash and investments - beginning	\$ 3,241	\$ 1,542	\$ 332	\$ 97	\$ 1	\$ -	\$ 1,192	\$ 4,039	\$ (194)
Receipts:									
Taxes	10,191	-	-	-	-	-	7,508	55	-
Licenses and permits	1,005	-	-	-	-	-	-	-	-
Intergovernmental	19,451	10,511	1,247	-	-	3,365	889	-	-
Other receipts	1,771	-	-	-	-	-	-	-	-
Total receipts	32,418	10,511	1,247	-	-	3,365	8,397	55	-
Disbursements:									
Personal services	3,703	-	-	-	-	-	-	-	-
Supplies	7,021	5,000	-	-	-	-	-	-	-
Other services and charges	27,170	-	-	-	-	-	-	-	-
Debt service - principal and interest	2,227	-	-	-	-	-	-	-	-
Capital outlay	1,037	-	-	-	-	-	-	-	376
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	4,551	-	-	-	-	-	-	-	-
Total disbursements	45,709	5,000	-	-	-	-	-	-	376
Excess (deficiency) of receipts over disbursements	(13,291)	5,511	1,247	-	-	3,365	8,397	55	(376)
Cash and investments - ending	\$ (10,050)	\$ 7,053	\$ 1,579	\$ 97	\$ 1	\$ 3,365	\$ 9,589	\$ 4,094	\$ (570)

TOWN OF BLOOMINGDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Public Safety	Kanzier-Escrow	Water Operating	Water Meter Deposit	Water Maintenance	Water Debt Service	Project Grant Fund	Totals
Cash and investments - beginning	\$ 5,689	\$ 14,684	\$ 35,423	\$ 8,975	\$ 44,620	\$ 20,294	\$ 153	\$ 140,088
Receipts:								
Taxes	3,364	-	-	-	-	-	-	21,118
Licenses and permits	-	-	-	-	-	-	-	1,005
Intergovernmental	-	-	-	-	-	-	-	35,463
Other receipts	-	15	207,424	100	8,960	48,029	5,000	271,299
Total receipts	<u>3,364</u>	<u>15</u>	<u>207,424</u>	<u>100</u>	<u>8,960</u>	<u>48,029</u>	<u>5,000</u>	<u>328,885</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	3,703
Supplies	-	-	-	-	-	-	-	12,021
Other services and charges	-	-	-	-	-	-	-	27,170
Debt service - principal and interest	-	-	-	-	-	-	-	2,227
Capital outlay	2,227	-	-	-	-	-	5,153	8,793
Utility operating expenses	-	-	177,353	-	-	-	-	177,353
Other disbursements	-	-	48,000	-	-	61,299	-	113,850
Total disbursements	<u>2,227</u>	<u>-</u>	<u>225,353</u>	<u>-</u>	<u>-</u>	<u>61,299</u>	<u>5,153</u>	<u>345,117</u>
Excess (deficiency) of receipts over disbursements	<u>1,137</u>	<u>15</u>	<u>(17,929)</u>	<u>100</u>	<u>8,960</u>	<u>(13,270)</u>	<u>(153)</u>	<u>(16,232)</u>
Cash and investments - ending	<u>\$ 6,826</u>	<u>\$ 14,699</u>	<u>\$ 17,494</u>	<u>\$ 9,075</u>	<u>\$ 53,580</u>	<u>\$ 7,024</u>	<u>\$ -</u>	<u>\$ 123,856</u>

TOWN OF BLOOMINGDALE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 2,632	\$ 990
Water System	3,894	4,025
Totals	\$ 6,526	\$ 5,015

TOWN OF BLOOMINGDALE
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Purchase of Building	\$ 12,947	\$ 3,982
Notes and loans payable	Purchase of Fire Truck	<u>35,628</u>	<u>4,454</u>
Total governmental activities		<u>48,575</u>	<u>8,436</u>
Water System:			
Notes and loans payable	Improvement of water system	<u>419,007</u>	<u>32,649</u>
Total Water System		<u>419,007</u>	<u>32,649</u>
Totals		<u>\$ 467,582</u>	<u>\$ 41,085</u>

TOWN OF BLOOMINGDALE
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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	\$ 83,659
Infrastructure	332,640
Buildings	80,161
Improvements other than buildings	31,976
Machinery, equipment, and vehicles	136,500
Total governmental activities	664,936
Water System:	
Land	39,000
Infrastructure	776,179
Buildings	856,254
Improvements other than buildings	225,855
Machinery, equipment, and vehicles	201,266
Total Water System	2,098,554
Total capital assets	\$ 2,763,490

TOWN OF BLOOMINGDALE
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

The Town paid penalties, interest, and other charges because the Town did not remit payments on a timely basis. The following schedule shows the agency or vendor, amount paid, and type of tax or expense on which the penalty, interest, or other charges occurred:

Internal Revenue Service:	
Payroll withholding (941 Tax) interest charges for the quarterly periods ending March 2010, June 2010, and September 2010	\$ 57.55
Internal Revenue Service:	
Social Security and Medicare Taxes not withheld for 2010, 2011, and 2012	1,023.30
Indiana Department of Revenue:	
Indiana Sales Tax penalties and interest for the periods December 2010 and December 2012	116.89
Indiana Department of Revenue:	
Indiana Utility Receipts Tax penalties 2009	246.00
Indiana Department of Revenue:	
Indiana Utility Receipts Tax penalties 2010	146.25
Chase:	
Supplies and other expenses for the years 2010, 2011, and 2012	<u>192.58</u>
 Total	 <u>\$ 1,782.57</u>

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

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

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Peggy Brown, former Clerk-Treasurer, reimbursed the Town of Bloomingdale \$1,782.57 for penalties, interest, and other charges on December 31, 2013, Receipt No. 776. (See Summary of Charges, page 28)

COLLECTION OF AMOUNTS DUE

The amount of \$3,430.92 is due to the Town of Bloomingdale as of December 31, 2012. The amount is the result of the former Clerk-Treasurer's failure to withhold social security and medicare taxes from employee's payroll for the years 2010, 2011, and 2012. The Town remitted both the employer's and the employee's portion of social security and medicare taxes for 2010, 2011, and 2012. The 2010 W-2's issued to those employees indicated that social security and medicare taxes were withheld but paid by the Town. The W-2's submitted to the Social Security Administration resulted in the employee's receiving credit for social security and medicare wages but the required payroll withholding was not made from the employees' payroll.

TOWN OF BLOOMINGDALE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Individual amounts due from current and former officials' and employees' are as follows:

Dea Ann Wallace, current Clerk-Treasurer	\$ 795.90
Jerry Newlin, current Town Council member	112.76
William Martin, current Town Council member	112.76
David Brown, current Town Council member	112.76
Jamie Hoover, current Water Operator	1,728.24
Charles Lawhorn, former Water Meter Reader	<u>568.50</u>
 Total	 <u>\$ 3,430.92</u>

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The Town of Bloomingdale should ask for reimbursement of the amounts due from the individuals listed above.

ANNUAL REPORT

The Annual Report for 2010 was not filed electronically until June 3, 2011. The Annual Report for 2012 was not filed electronically until June 24, 2013.

The Annual Report for 2010 contained errors and did not include all funds and accounts required for proper presentation of the Town's financial statements. Beginning fund balances did not agree with the ending 2009 fund balances and the Local Road and Street Fund was not included in the 2010 Annual Report. Also, all governmental fund receipts were classified as "Other Receipts" in the 2010 Annual Report instead of the proper classification.

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."

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31, 2011 and December 31, 2012:

TOWN OF BLOOMINGDALE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Fund	Years	Amount Overdrawn
Community Building/Center	2011	\$ 194
General	2012	10,050
Community Building/Center	2012	570

The cash 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

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

Fund	Years	Excess Amount Expended
General	2010	\$ 9,484
General	2011	1,496
Local Road and Street	2011	2,261
Motor Vehicle Highway	2011	21,719
Cumulative Capital Improvement	2011	500
General	2012	23,304

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."

CONTRACTS

Payments were made for insurance premiums on behalf of the Bloomingdale Volunteer Fire Department for 2010, 2011, and 2012. A current contract was not presented for examination.

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)

ORDINANCES AND RESOLUTIONS

The Water Utility has an ordinance concerning water customer penalties and shut-off policies. However, we noted that the Water Utility did not comply with its existing ordinance because the Water Utility did not add penalties for late payments and water was turned off only after the Town Council reviews the consumer's arrearage. A similar comment appeared in the prior report.

TOWN OF BLOOMINGDALE
EXAMINATION RESULTS AND COMMENTS
(Continued)

The customers do not always pay for water consumption according to the meter readings. Four accounts tested had consumption of 6,240 gallons, 14,420 gallons, 13,730 gallons, and 8,500 gallons per the meter readings but they were billed for 5,000 gallons, 5,000 gallons, 6,404 and 4,000 gallons, respectively. The Town Council adjusts billings based on meter readings that are substantially higher than average individual customer meter readings. There was no examination documentation to support the adjusted individual water billings tested.

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)

TOWN OF BLOOMINGDALE
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2013, with Dea Ann Wallace, Clerk-Treasurer, and Jerry L. Newlin, President of the Town Council. The officials concurred with our findings.

The contents of this report were discussed on December 30, 2013, with Peggy Brown, former Clerk-Treasurer. The official concurred with our findings.

TOWN OF BLOOMINGDALE
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Peggy Brown, former Clerk-Treasurer:			
Penalties, Interest, and Other Charges, page 23	\$ 1,782.57	\$	\$
Reimbursed by Peggy Brown, Check No. 2819,			
Receipt No. 776, December 31, 2013	<u> </u>	1,782.57	<u> </u> -
 Totals	 <u>\$ 1,782.57</u>	 <u>\$ 1,782.57</u>	 <u>\$ </u> -

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.