

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF INDIAN VILLAGE

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED

05/07/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kay Naragon Michael Eby	09-08-09 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Geri Oppenheim	01-01-10 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF INDIAN VILLAGE, ST. JOSEPH COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Indian Village (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. 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, 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, 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

March 19, 2014

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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 INDIAN VILLAGE
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	\$ 35,687	\$ 19,003	\$ 9,968	\$ 44,722
Mvh Fund	11,657	7,925	5,900	13,682
Lrsa	21,043	2,021	275	22,789
Rainy Day Fund	1,429	3,404	2,743	2,090
Major Moves	9,226	-	-	9,226
Ccif	6,870	422	-	7,292
Cedit	1,554	783	-	2,337
COIT	-	2,743	-	2,743
Totals	<u>\$ 87,466</u>	<u>\$ 36,301</u>	<u>\$ 18,886</u>	<u>\$ 104,881</u>

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

TOWN OF INDIAN VILLAGE
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	\$ 44,722	\$ 25,160	\$ 12,634	\$ 57,248
Mvh Fund	13,682	7,981	7,547	14,116
Lrsa	22,789	1,956	300	24,445
Rainy Day Fund	2,090	-	-	2,090
Major Moves	9,226	-	-	9,226
Ccif	7,292	414	-	7,706
Cedit	2,337	1,013	-	3,350
COIT	2,743	-	2,743	-
LOIT	-	19	-	19
Totals	<u>\$ 104,881</u>	<u>\$ 36,543</u>	<u>\$ 23,224</u>	<u>\$ 118,200</u>

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

TOWN OF INDIAN VILLAGE
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	\$ 57,248	\$ 18,962	\$ 19,470	\$ 56,740
Mvh Fund	14,116	8,329	7,493	14,952
Lrsa	24,445	1,946	1,000	25,391
Rainy Day Fund	2,090	-	-	2,090
Major Moves	9,226	-	-	9,226
Ccif	7,706	353	-	8,059
Cedit	3,350	1,240	-	4,590
LOIT	19	14	-	33
Totals	<u>\$ 118,200</u>	<u>\$ 30,844</u>	<u>\$ 27,963</u>	<u>\$ 121,081</u>

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

TOWN OF INDIAN VILLAGE
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, public improvements, planning and zoning, general administrative services.

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 INDIAN VILLAGE
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.

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.

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 INDIAN VILLAGE
NOTES TO FINANCIAL STATEMENTS
(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. 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.

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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 INDIAN VILLAGE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010

	General Fund	Mvh Fund	Lrsa	Rainy Day Fund	Major Moves
Cash and investments - beginning	\$ 35,687	\$ 11,657	\$ 21,043	\$ 1,429	\$ 9,226
Receipts:					
Taxes	197	-	-	-	-
Licenses and permits	260	-	-	-	-
Intergovernmental	3,663	7,660	2,021	3,404	-
Other receipts	14,883	265	-	-	-
Total receipts	<u>19,003</u>	<u>7,925</u>	<u>2,021</u>	<u>3,404</u>	<u>-</u>
Disbursements:					
Personal services	6,086	-	-	-	-
Supplies	1,724	-	275	-	-
Other services and charges	2,158	5,900	-	-	-
Other disbursements	-	-	-	2,743	-
Total disbursements	<u>9,968</u>	<u>5,900</u>	<u>275</u>	<u>2,743</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>9,035</u>	<u>2,025</u>	<u>1,746</u>	<u>661</u>	<u>-</u>
Cash and investments - ending	<u>\$ 44,722</u>	<u>\$ 13,682</u>	<u>\$ 22,789</u>	<u>\$ 2,090</u>	<u>\$ 9,226</u>

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

	<u>Ccif</u>	<u>Cedit</u>	<u>COIT</u>	<u>Totals</u>
Cash and investments - beginning	\$ 6,870	\$ 1,554	\$ -	\$ 87,466
Receipts:				
Taxes	-	-	-	197
Licenses and permits	-	-	-	260
Intergovernmental	422	783	-	17,953
Other receipts	-	-	2,743	17,891
Total receipts	<u>422</u>	<u>783</u>	<u>2,743</u>	<u>36,301</u>
Disbursements:				
Personal services	-	-	-	6,086
Supplies	-	-	-	1,999
Other services and charges	-	-	-	8,058
Other disbursements	-	-	-	2,743
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,886</u>
Excess (deficiency) of receipts over disbursements	<u>422</u>	<u>783</u>	<u>2,743</u>	<u>17,415</u>
Cash and investments - ending	<u>\$ 7,292</u>	<u>\$ 2,337</u>	<u>\$ 2,743</u>	<u>\$ 104,881</u>

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

	General Fund	Mvh Fund	Lrsa	Rainy Day Fund	Major Moves
Cash and investments - beginning	\$ 44,722	\$ 13,682	\$ 22,789	\$ 2,090	\$ 9,226
Receipts:					
Taxes	304	-	-	-	-
Licenses and permits	70	-	-	-	-
Intergovernmental	2,315	7,981	1,956	-	-
Charges for services	19,356	-	-	-	-
Other receipts	3,115	-	-	-	-
Total receipts	<u>25,160</u>	<u>7,981</u>	<u>1,956</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	7,633	-	-	-	-
Supplies	400	-	300	-	-
Other services and charges	2,998	7,547	-	-	-
Other disbursements	1,603	-	-	-	-
Total disbursements	<u>12,634</u>	<u>7,547</u>	<u>300</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,526</u>	<u>434</u>	<u>1,656</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 57,248</u>	<u>\$ 14,116</u>	<u>\$ 24,445</u>	<u>\$ 2,090</u>	<u>\$ 9,226</u>

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

	<u>Ccif</u>	<u>Cedit</u>	<u>COIT</u>	<u>LOIT</u>	<u>Totals</u>
Cash and investments - beginning	\$ 7,292	\$ 2,337	\$ 2,743	\$ -	\$ 104,881
Receipts:					
Taxes	-	-	-	-	304
Licenses and permits	-	-	-	-	70
Intergovernmental	414	1,013	-	-	13,679
Charges for services	-	-	-	-	19,356
Other receipts	-	-	-	19	3,134
Total receipts	<u>414</u>	<u>1,013</u>	<u>-</u>	<u>19</u>	<u>36,543</u>
Disbursements:					
Personal services	-	-	-	-	7,633
Supplies	-	-	-	-	700
Other services and charges	-	-	-	-	10,545
Other disbursements	-	-	2,743	-	4,346
Total disbursements	<u>-</u>	<u>-</u>	<u>2,743</u>	<u>-</u>	<u>23,224</u>
Excess (deficiency) of receipts over disbursements	<u>414</u>	<u>1,013</u>	<u>(2,743)</u>	<u>19</u>	<u>13,319</u>
Cash and investments - ending	<u>\$ 7,706</u>	<u>\$ 3,350</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 118,200</u>

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

	General Fund	Mvh Fund	Lrsa	Rainy Day Fund	Major Moves
Cash and investments - beginning	\$ 57,248	\$ 14,116	\$ 24,445	\$ 2,090	\$ 9,226
Receipts:					
Licenses and permits	931	-	-	-	-
Intergovernmental	2,328	8,329	1,946	-	-
Charges for services	15,550	-	-	-	-
Other receipts	153	-	-	-	-
Total receipts	<u>18,962</u>	<u>8,329</u>	<u>1,946</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	10,616	-	-	-	-
Supplies	767	-	-	-	-
Other services and charges	3,298	7,493	1,000	-	-
Other disbursements	4,789	-	-	-	-
Total disbursements	<u>19,470</u>	<u>7,493</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(508)</u>	<u>836</u>	<u>946</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 56,740</u>	<u>\$ 14,952</u>	<u>\$ 25,391</u>	<u>\$ 2,090</u>	<u>\$ 9,226</u>

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

	<u>Ccif</u>	<u>Cedit</u>	<u>LOIT</u>	<u>Totals</u>
Cash and investments - beginning	\$ 7,706	\$ 3,350	\$ 19	\$ 118,200
Receipts:				
Licenses and permits	-	-	-	931
Intergovernmental	353	1,240	-	14,196
Charges for services	-	-	-	15,550
Other receipts	-	-	14	167
Total receipts	<u>353</u>	<u>1,240</u>	<u>14</u>	<u>30,844</u>
Disbursements:				
Personal services	-	-	-	10,616
Supplies	-	-	-	767
Other services and charges	-	-	-	11,791
Other disbursements	-	-	-	4,789
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,963</u>
Excess (deficiency) of receipts over disbursements	<u>353</u>	<u>1,240</u>	<u>14</u>	<u>2,881</u>
Cash and investments - ending	<u>\$ 8,059</u>	<u>\$ 4,590</u>	<u>\$ 33</u>	<u>\$ 121,081</u>

TOWN OF INDIAN VILLAGE
EXAMINATION RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconcilements did not balance. As of December 31, 2012, the bank account reconciliation identified a cash long in the amount of \$2,615.61.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TOWN OF INDIAN VILLAGE
EXIT CONFERENCE

The contents of this report were discussed on March 19, 2014, with Michael Eby, Clerk-Treasurer.