

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

TOWN OF LOSANTVILLE

RANDOLPH COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**

10/02/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Weaver	07-01-02 to 12-31-07
President of the Town Council	Stephen Weaver	01-01-03 to 12-31-06



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LOSANTVILLE, RANDOLPH COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Losantville (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion 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 schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 11, 2006

TOWN OF LOSANTVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 1,458	\$ 244,271	\$ 225,650	\$ 20,079
Motor Vehicle Highway	7,814	8,336	11,000	5,150
Local Road and Street	2,478	1,398	3,150	726
Law Enforcement Continuing Education	491	100	-	591
Riverboat	-	1,770	-	1,770
Cumulative Capital Improvement	3,362	4,012	3,000	4,374
Economic Development Income Tax	69,562	37,214	85,793	20,983
Totals	<u>\$ 85,165</u>	<u>\$ 297,101</u>	<u>\$ 328,593</u>	<u>\$ 53,673</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 20,079	\$ 79,962	\$ 81,865	\$ 18,176
Motor Vehicle Highway	5,150	31,692	33,210	3,632
Local Road and Street	726	1,453	590	1,589
Law Enforcement Continuing Education	591	5	25	571
Riverboat	1,770	1,766	-	3,536
Rainy Day	-	2,647	-	2,647
Cumulative Capital Improvement	4,374	1,045	3,469	1,950
CEDIT Grant Match	-	25,000	3,000	22,000
Economic Development Income Tax	20,983	22,436	14,280	29,139
Totals	<u>\$ 53,673</u>	<u>\$ 166,006</u>	<u>\$ 136,439</u>	<u>\$ 83,240</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 18,176	\$ 74,219	\$ 72,557	\$ 19,838
Motor Vehicle Highway	3,632	8,497	-	12,129
Local Road and Street	1,589	1,439	150	2,878
Law Enforcement Continuing Education	571	-	-	571
Riverboat	3,536	1,766	-	5,302
Rainy Day	2,647	3,100	3,613	2,134
Cumulative Capital Improvement	1,950	866	1,475	1,341
CEDIT Grant Match	22,000	-	10,500	11,500
Cumulative Fire Fighting Equipment	-	10,000	10,000	-
Economic Development Income Tax	29,139	10,000	10,804	28,335
Totals	<u>\$ 83,240</u>	<u>\$ 109,887</u>	<u>\$ 109,099</u>	<u>\$ 84,028</u>

The accompanying notes are an integral part of the schedules.

TOWN OF LOSANTVILLE  
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

TOWN OF LOSANTVILLE  
EXAMINATION RESULTS AND COMMENTS

DEPOSITS

Many collections were deposited more than a week later than the next business day.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

PENALTIES, INTEREST AND OTHER CHARGES

A total of \$13.91 in late fees was paid over seven instances, all but one of which were utility bills.

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)

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

The Town did not comply with directives of the Federal Government by not withholding Social Security and Medicare taxes for its employees. The amount that should have been withheld from the Clerk-Treasurer's and Marshal's salaries was paid by the Town. There were no withholdings or payments of amounts that should have been withheld from the earnings of the council members.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

Some funds requiring appropriations were not budgeted. Additionally, annual disbursements exceeded appropriations for the following funds by the indicated amounts: General Fund by \$21,078 in 2003; Local Road and Street by \$50 in 2003; and Motor Vehicle Highway Fund by \$2,210 in 2004.

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."

TOWN OF LOSANTVILLE  
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2006, with Carol Weaver, Clerk-Treasurer; and Stephen Weaver, President of the Town Council. The officials concurred with our findings.