

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

EXAMINATION REPORT  
OF  
TOWN OF BATTLE GROUND  
TIPPECANOE COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
10/20/2006



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Phyllis Hall

01-01-04 to 12-31-07

President of the Town Council

Carolyn Roth  
Steve C. Egly

01-01-04 to 12-31-05  
01-01-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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 BATTLE GROUND, TIPPECANOE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Battle Ground (Town), for the period of January 1, 2004 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, 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

August 22, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
<b>Governmental Funds:</b>				
General	\$ 171,539	\$ 168,713	\$ 239,061	\$ 101,191
Motor Vehicle Highway	23,605	44,932	41,307	27,230
Local Road and Street	35,995	17,080	6,391	46,684
Battle Ground Walking Tours	711	103	-	814
Ordinance Violations	1,194	40	-	1,234
Law Enforcement Continuing Education	489	110	-	599
Riverboat	8,366	8,343	7,853	8,856
Rainy Day	-	8,331	-	8,331
Battle Ground Economic Development	566	20	248	338
Donation	31	-	-	31
Cumulative Capital Improvement	23,130	10,607	16,653	17,084
CEDIT	101,448	99,791	154,977	46,262
Cumulative Capital Development	14,557	91,684	-	106,241
Street Project	50,000	3,704	-	53,704
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	426,449	613,941	438,741	601,649
Wastewater Utility - Depreciation	44,174	2,497	34,683	11,988
Wastewater Utility - Bond and Interest	8,842	35,561	41,084	3,319
Wastewater Utility - Reserve	39,809	4,919	2,185	42,543
Wastewater Utility - Customer Deposits	18,075	5,256	1,989	21,342
<b>Fiduciary Fund:</b>				
Payroll	4,317	180,634	169,723	15,228
<b>Totals</b>	<u>\$ 973,297</u>	<u>\$ 1,296,266</u>	<u>\$ 1,154,895</u>	<u>\$ 1,114,668</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 101,191	\$ 352,169	\$ 228,994	\$ 224,366
Motor Vehicle Highway	27,230	45,222	55,438	17,014
Local Road and Street	46,684	14,864	33,013	28,535
Battle Ground Walking Tours	814	4	-	818
Ordinance Violations	1,234	160	90	1,304
Law Enforcement Continuing Education	599	97	-	696
Riverboat	8,856	16,115	3,782	21,189
Rainy Day	8,331	1,074	7,695	1,710
Battle Ground Economic Development	338	23	-	361
Donation	31	-	-	31
Cumulative Capital Improvement	17,084	4,090	5,665	15,509
CEDIT	46,262	30,709	29,540	47,431
Cumulative Capital Development	106,241	22,538	99,352	29,427
Street Project	53,704	1,152	-	54,856
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	601,649	287,285	274,652	614,282
Wastewater Utility - Depreciation	11,988	1,892	2,920	10,960
Wastewater Utility - Bond and Interest	3,319	24,051	23,852	3,518
Wastewater Utility - Reserve	42,543	912	-	43,455
Wastewater Utility - Customer Deposits	21,342	3,180	2,253	22,269
<b>Fiduciary Fund:</b>				
Payroll	15,228	212,706	205,430	22,504
<b>Totals</b>	<u>\$ 1,114,668</u>	<u>\$ 1,018,243</u>	<u>\$ 972,676</u>	<u>\$ 1,160,235</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BATTLE GROUND  
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, culture and recreation, wastewater, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to

TOWN OF BATTLE GROUND  
 NOTES TO SCHEDULES  
 (Continued)

participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
 Harrison Building, Room 800  
 143 West Market Street  
 Indianapolis, IN 46204  
 Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into Sewage Works Refunding Bonds of 1988. The outstanding principal at December 31, 2005, was \$68,000.

Note 8. Restatement of Balances

For the year ended December 31, 2003, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances by fund.

Fund and Type	Balance As Reported 12-31-03	Balance As Restated 01-01-04
Proprietary funds:		
Wastewater Operating	\$ 483,466	\$ 426,449
Wastewater Depreciation	12,863	44,174
Wastewater Bond and Interest	3,319	8,843
Wastewater Reserve	41,594	39,809

TOWN OF BATTLE GROUND  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior audit report, were again present during our period of audit:

- (1) Record balances were not reconciled to depository balances during the two year period.

Indiana Code 5-13-6-1(e) states in part: "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."

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts or to the proper fund and interest not always posted.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PRESCRIBED FORMS

The following prescribed or approved form was not always in use:

City and Town Form 211, Capital Assets Ledger

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BATTLE GROUND  
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2006, with Phyllis Hall, Clerk-Treasurer and Steven C. Egly, President of the Town Council. The officials concurred with our findings.