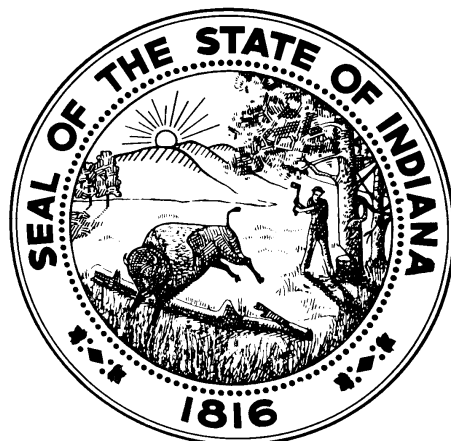


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF KINGSBURY
LAPORTE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Laura Matchette

07-01-05 to 12-31-11

President of the Town Council

Edward Ritter
Jeff Matchette

01-01-06 to 12-31-06
01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KINGSBURY, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Kingsbury (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 20, 2008

TOWN OF KINGSBURY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 40,306	\$ 19,685	\$ 33,087	\$ 26,904
Motor Vehicle Highway	41,155	8,717	6,624	43,248
Local Road and Street	6,481	2,951	3,041	6,391
Levy Excess	-	968	968	-
Riverboat	120,970	52,474	80,421	93,023
Local Major Moves Construction	-	48,645	30,396	18,249
Donation	404	-	-	404
Cumulative Capital Improvement	4,389	818	500	4,707
Cumulative Building and Fire Fighting Equipment	26,282	2,129	25,000	3,411
Totals	<u>\$ 239,987</u>	<u>\$ 136,387</u>	<u>\$ 180,037</u>	<u>\$ 196,337</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 26,904	\$ 43,065	\$ 37,520	\$ 32,449
Motor Vehicle Highway	43,248	8,549	23,712	28,085
Local Road and Street	6,391	2,988	2,275	7,104
Riverboat	93,023	36,920	36,632	93,311
Local Major Moves Construction	18,249	-	-	18,249
Donation	404	-	202	202
Cumulative Capital Improvement	4,707	804	5,000	511
Cumulative Building and Fire Fighting Equipment	3,411	5,850	6,945	2,316
Totals	<u>\$ 196,337</u>	<u>\$ 98,176</u>	<u>\$ 112,286</u>	<u>\$ 182,227</u>

The accompanying notes are an integral part of the financial information.

TOWN OF KINGSBURY
NOTES TO FINANCIAL INFORMATION

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. 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. Subsequent Events

The State of Indiana has ordered a reassessment of all properties located in LaPorte County. This will cause a significant delay in property tax distributions. The length of the delay cannot be determined.

TOWN OF KINGSBURY
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

There were instances in which monies were deposited but receipts were not issued. For example, during December 2006, \$28,268 was deposited and recorded in the ledger but no corresponding receipt was issued.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

As stated in prior Report B27221, in numerous instances, receipts were deposited later than the next business day. In one instance a receipt dated December 21, 2007, in the amount of \$22,183 was deposited on March 10, 2008.

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."

TIMELY RECORDKEEPING

We noted instances of several months from the time of the original date of the transactions until entry on the records. For example distributions received during October 2007, were not posted until December 28, 2007.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF KINGSBURY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ERRORS ON CLAIMS

None of the claims tested were accompanied by evidence in support of the receipt of goods and/or services rendered.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) 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;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF KINGSBURY
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with Laura Matchette, Clerk-Treasurer; and Edward Ritter; Council member. The officials concurred with our findings.