

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

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



FILED
12/31/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Steven J. Millick

01-01-04 to 12-31-11

President of the Town Council

Joan Lewis

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MICHIANA SHORES, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Michiana Shores (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.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 12, 2008

TOWN OF MICHIANA SHORES
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	\$ 21,130	\$ 102,142	\$ 105,536	\$ 17,736
Motor Vehicle Highway	20,149	37,252	33,297	24,104
Local Road and Street	1,168	6,670	-	7,838
Park and Recreation	7,591	7,467	5,554	9,504
Trash and Sanitation	17,407	31,489	32,336	16,560
Water Surcharge	9,382	22,350	-	31,732
Riverboat	107,037	49,468	12,000	144,505
Cumulative Capital Improvement	5,757	1,179	-	6,936
Cumulative Capital Development	24,332	5,014	-	29,346
CEDIT	13,895	13,089	-	26,984
Curb Side Leaf Collection	2,635	4,693	3,303	4,025
Land Acquisition	21	-	21	-
Park Donations	84	-	84	-
Project	204	-	204	-
White Ditch Greenway Park Grant	18,486	2,813	4,495	16,804
Local Major Moves	-	132,864	71,264	61,600
White Ditch Stream Restoration Grant #3	-	128,206	121,353	6,853
Park and Recreation Grant #2	-	4,670	4,495	175
Rainy Day	11,152	-	-	11,152
	<u>11,152</u>	<u>-</u>	<u>-</u>	<u>11,152</u>
Totals	<u>\$ 260,430</u>	<u>\$ 549,366</u>	<u>\$ 393,942</u>	<u>\$ 415,854</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 17,736	\$ 112,151	\$ 128,820	\$ 1,067
Motor Vehicle Highway	24,104	14,588	38,619	73
Local Road and Street	7,838	6,147	-	13,985
Park and Recreation	9,504	922	6,477	3,949
Trash and Sanitation	16,560	31,716	36,157	12,119
Water Surcharge	31,732	209,869	239,231	2,370
Riverboat	144,505	69,314	189,394	24,425
Cumulative Capital Improvement	6,936	1,159	-	8,095
Cumulative Capital Development	29,346	573	-	29,919
CEDIT	26,984	13,250	31,000	9,234
Curb Side Leaf Collection	4,025	4,085	5,399	2,711
White Ditch Greenway Park Grant	16,804	-	16,804	-
Local Major Moves	61,600	6,853	36,453	32,000
White Ditch Stream Restoration Grant #3	6,853	-	6,853	-
Park and Recreation Grant #2	175	-	-	175
Rainy Day	11,152	4,802	-	15,954
	<u>11,152</u>	<u>4,802</u>	<u>-</u>	<u>15,954</u>
Totals	<u>\$ 415,854</u>	<u>\$ 475,429</u>	<u>\$ 735,207</u>	<u>\$ 156,076</u>

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

TOWN OF MICHIANA SHORES
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 Event

Due to a reassessment of properties in LaPorte County, tax distributions will not be received in a timely manner. It is unknown when distributions will be received.

TOWN OF MICHIANA SHORES
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

As of December 31, 2007

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.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 38,429
Buildings	57,500
Machinery and equipment	<u>17,577</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 113,506</u>

TOWN OF MICHIANA SHORES
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

As noted in prior reports, the prescribed form Payroll Schedule and Voucher, General - Form 99, was not used for disbursing payroll.

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 Town, Chapter 7)

ANNUAL REPORT

Annual reports for 2006 and 2007 were not presented for examination. The clerk-treasurer prepares an annual report for the Town Council and for advertising purposes; however, the annual report is not prepared using the prescribed format. The annual report presented did not have a detail of receipts and/or disbursements.

Indiana Code 5-3-1-3(a) states in part:

"Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. During the examination, immaterial differences were noted when record balances were compared to the depository balances.

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."

TOWN OF MICHIANA SHORES
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2008, with Steven J. Millick, Clerk-Treasurer; and Richard Young, Board member. The officials concurred with our findings.