

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

EXAMINATION REPORT
OF
TOWN OF BATTLE GROUND
TIPPECANOE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/19/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Phyllis Hall

01-01-08 to 12-31-11

President of the
Town Council

Steve C. Egly
Rebecca Holladay

01-01-08 to 12-31-08
01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BATTLE GROUND, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Battle Ground (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 25, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 228,832	\$ 162,027	\$ 296,030	\$ 94,829
Motor Vehicle Highway	34,271	61,380	62,874	32,777
Local Road and Street	15,629	13,819	23,906	5,542
Battle Ground Walking Tours	825	-	-	825
Ordinance Violations	1,601	-	-	1,601
Law Enforcement Continuing Education	1,406	330	-	1,736
Riverboat	21,692	11,667	15,000	18,359
Rainy Day	1,941	31	-	1,972
Donation	31	-	-	31
Cumulative Capital Improvement	9,224	4,370	11,000	2,594
CEDIT	22,250	38,287	30,000	30,537
Cumulative Capital Development	33,167	8,945	29,500	12,612
Street Project	50,548	1,367	21,752	30,163
Proprietary Funds:				
Wastewater Utility - Operating	638,826	320,855	305,433	654,248
Wastewater Utility - Depreciation	14,571	2,000	-	16,571
Wastewater Utility - Bond and Interest	4,430	23,106	23,106	4,430
Wastewater Utility - Reserve	39,609	-	-	39,609
Wastewater Utility - Customer Deposit	19,027	2,520	1,659	19,888
Fiduciary Fund:				
Payroll	24,962	190,726	186,623	29,065
Totals	<u>\$ 1,162,842</u>	<u>\$ 841,430</u>	<u>\$ 1,006,883</u>	<u>\$ 997,389</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 94,829	\$ 344,196	\$ 277,663	\$ 161,362
Motor Vehicle Highway	32,777	119,528	94,204	58,101
Local Road and Street	5,542	12,584	372	17,754
Battle Ground Walking Tours	825	-	-	825
Ordinance Violations	1,601	20	-	1,621
Law Enforcement Continuing Education	1,736	591	-	2,327
Riverboat	18,359	8,401	-	26,760
Rainy Day	1,972	11,262	-	13,234
Donation	31	-	-	31
Cumulative Capital Improvement	2,594	2,021	-	4,615
CEDIT	30,537	68,259	49,184	49,612
Cumulative Capital Development	12,612	12,079	-	24,691
Street Project	30,163	25,940	14,498	41,605
Proprietary Funds:				
Wastewater Utility - Operating	654,248	328,838	411,682	571,404
Wastewater Utility - Depreciation	16,571	2,600	-	19,171
Wastewater Utility - Bond and Interest	4,430	18,599	14,348	8,681
Wastewater Utility - Reserve	39,609	-	-	39,609
Wastewater Utility - Customer Deposit	19,888	2,788	2,284	20,392
Fiduciary Fund:				
Payroll	29,065	201,127	202,104	28,088
Totals	<u>\$ 997,389</u>	<u>\$ 1,158,833</u>	<u>\$ 1,066,339</u>	<u>\$ 1,089,883</u>

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

TOWN OF BATTLE GROUND
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, culture and recreation, wastewater services 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. Due to reassessment, tax payments for 2008 were due in one payment on December 1, and two payments for 2009 due on October 30 and December 11.

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.

TOWN OF BATTLE GROUND
NOTES TO FINANCIAL INFORMATION
(Continued)

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 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.

TOWN OF BATTLE GROUND
EXAMINATION RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect or incomplete. There were uncorrected posting errors that affected the reconciliation. We instructed the officials to identify and post the record corrections as they are noted.

IC 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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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 25, 2010, with Phyllis Hall, Clerk-Treasurer; and Carolyn Roth, Town Board member. The officials concurred with our finding.