

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TOWN OF MERRILLVILLE  
LAKE COUNTY, INDIANA

January 1, 2014 to December 31, 2014



**FILED**  
04/07/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Eugene Guernsey	01-01-12 to 12-31-17
President of the Town Council	Carol Miano Tom Goralczyk Richard Hardaway	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-17
Town Manager	Bruce Spires	01-01-14 to 12-31-17



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MERRILLVILLE, LAKE COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the Town of Merrillville (Town), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2014.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 21, 2017, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

February 21, 2017



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE TOWN OF MERRILLVILLE, LAKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Town of Merrillville (Town), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 21, 2017, wherein we noted the Town followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Town of Merrillville's Response to Findings**

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 21, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF MERRILLVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
GENERAL	\$ 2,482,154	\$ 10,292,456	\$ 9,232,390	\$ 3,542,220
MOTOR VEHICLE	316,387	1,340,920	1,049,259	608,048
LOCAL ROADS & STREET	83,549	386,016	361,419	108,146
HRA INSURANCE DEDUCTIBLES	604	3,000	1,651	1,953
RENTAL REGISTRATIONS	313,650	6,800	101,822	218,628
COMPUTER TRAINING CENTER	30,000	-	10,266	19,734
PD CONTINUING ED	70,883	57,021	73,452	54,452
CASINO GAMING FUND	217,525	407,354	316,393	308,486
RAINY DAY FUND	216	-	-	216
LOIT CREDIT FUND	-	698,571	698,571	-
LEVY EXCESS	22,252	-	-	22,252
MERR. FIRE TERRITORY	1,310,965	1,848,329	1,754,508	1,404,786
CERTIFIED TECHNOLOGY PARK	-	6,055,491	5,580,584	474,907
CUM'L CAPITAL DEVELOPMENT	763,660	330,875	538,684	555,851
PARKS NON-REVERTING	16,800	56,741	51,932	21,609
POLICE EQUIPMENT	21,619	190,827	168,269	44,177
2013 FIRE PROJECT BOND	454,459	-	389,619	64,840
CUM'L FIRE EQUIPMENT	782,505	602,738	249,921	1,135,322
CUM. CAPITAL IMPROVEMENT	167,282	93,231	37,241	223,272
FIREFIGHTERS EQUIPMENT	18,104	18,251	5,344	31,011
PARK IMPACT FEES	51,584	14,174	13,303	52,455
FIRE PENSION-PERF	(71)	40,869	40,739	59
TOWN COURT TRACKING	259,497	757,088	802,028	214,557
LOIT PUBLIC SAFETY FUND	-	650,543	649,385	1,158
NOXIOUS WEEDS NON-REVERT	32,615	13,522	19,046	27,091
EMPLOYEE INS. BENEFITS	52,381	93	-	52,474
COURT PROBATION	24,293	30,509	30,080	24,722
PUBLIC DEFENDER FEES	633	4,257	-	4,890
RECORD PERPETUATION	2,195	4,908	1,446	5,657
VETERANS MEMORIAL	3,114	50	-	3,164
ENGINEERING FEES	50,523	24,825	2,268	73,080
POLICE DONATION	56,965	68,372	47,808	77,529
FIRE & HAZMAT	191,335	128,320	122,353	197,302
UNSAFE/BLIGHTED PROPERTY	-	15,006	-	15,006
POLICE SPECIAL GRANT	5,813	17,260	15,648	7,425
RECYCLING GRANT FUND	100,178	196,777	186,043	110,912
TOURISM	10,497	4,725	1,375	13,847
PROPERTY SEIZURE	12,714	19,476	12,517	19,673
O.T.B. DONATION	7,178	-	7,175	3
PARK DONATION	7,583	557	-	8,140
COUNTY REIMB/WELFARE	109	-	-	109
G.O.BOND DEBT SERVICE	233,832	690,953	688,363	236,422
TIF DEBT SERV RESERVES	198,063	316	-	198,379
MERR. RD. TIF PROJECT	1,118,663	1,406,649	1,174,231	1,351,081
MERR. RD. TIF DEBT SVC.	1,846,416	108,000	297,608	1,656,808
BROADWAY TIF	84,763	773,843	646,082	212,524
MISS. ST. TIF DEBT SVC.	2,846,464	738,755	1,325,100	2,260,119
MISS. ST. TIF PROJECT	2,949,676	5,538,654	4,733,485	3,754,845
MS ST. DEBT SVC. RESERVE	1,234,101	-	-	1,234,101
AMERIPLEX AT CROSSROADS	560,869	968,591	1,110,932	418,528
STORMWATER RESERVES	118,828	59,414	-	178,242
2012 BDWY PROJECT BOND	114,693	-	79,880	34,813
2012 BDWY PROJECT BOND DS	270,488	182,346	181,502	271,332
MERR RD TIF TAX DEPOSITS	872,282	783,122	1,331,400	324,004
MISS ST TIF TAX DEPOSITS	2,492,927	2,347,513	3,731,682	1,108,758
BDWY TIF TAX DEPOSITS	473,843	1,017,382	956,189	535,036
TOWN DONATIONS	14,855	28,790	21,383	22,262
2011 JUDGMNT BND DS-EMS	19,496	18,080	27,803	9,773
RDC BONDS 2005 DEBT SVC.	708,297	869,514	833,140	744,671
2010 JUDGMNT BND DS-ST LT	31,642	66,282	66,825	31,099
2012 G.O. BOND PROCEEDS	481	-	481	-
2012 G.O. BOND DS-PAVING	233,606	471,055	481,850	222,811
2013 G.O. BOND PROCEEDS	953,246	-	953,246	-
2013 G.O. BND DS-RD IMPRV	-	524,337	256,758	267,579
2014 G.O. BOND PROCEEDS	-	1,999,312	1,449,536	549,776
2014 RDC BOND PROCEEDS	-	4,183,376	68,600	4,114,776
2014 CONSTRUCTION BAN	-	2,430,000	2,400,000	30,000
STORM WATER OPER./MAINT	653,545	1,151,351	1,089,882	715,014
STORMWATER CONSTRUCTION	37,785	309,009	65,228	281,566
STORMWATER GRANTS	11,902	31,945	-	43,847
PAYROLL	147,065	7,528,365	7,525,672	149,758
POLICE PENSION-25	42,964	457,716	492,958	7,722
POLICE PENSION-PERF	3,507	166,356	165,835	4,028
LANDSCAPING ESCROW	2,500	24,000	2,500	24,000
Totals	<u>\$ 26,218,549</u>	<u>\$ 59,254,978</u>	<u>\$ 54,730,690</u>	<u>\$ 30,742,837</u>

The notes to the financial statement are an integral part of this statement.

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, storm water, and urban redevelopment.

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

*Licenses and permits.* Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

*Fines and forfeits.* Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Town may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the Town to invest in securities including, but not limited to, the following: 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 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

TOWN OF MERRILLVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

**Note 7. Subsequent Events**

On December 17, 2015, the Town issued 2015 Special Taxing Bonds with a value of \$1,175,000 to refinance Bond Anticipation Notes, Series 2014.

On April 26, 2016, the Town issued 2016 Special Taxing Bonds with a value of \$3,160,000 for refunding of the Special Taxing District Bonds, Series 2005A and 2005B.

#### OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Town's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	GENERAL	MOTOR VEHICLE	LOCAL ROADS & STREET	HRA INSURANCE DEDUCTIBLES	RENTAL REGISTRATIONS	COMPUTER TRAINING CENTER	PD CONTINUING ED
Cash and investments - beginning	\$ 2,482,154	\$ 316,387	\$ 83,549	\$ 604	\$ 313,650	\$ 30,000	\$ 70,883
Receipts:							
Taxes	5,873,132	-	-	-	-	-	-
Licenses and permits	892,141	-	-	-	6,800	-	15,640
Intergovernmental receipts	402,930	1,294,765	377,653	-	-	-	-
Charges for services	262,839	-	-	-	-	-	31,579
Fines and forfeits	259,131	-	-	-	-	-	5,806
Other receipts	2,602,283	46,155	8,363	3,000	-	-	3,996
Total receipts	<u>10,292,456</u>	<u>1,340,920</u>	<u>386,016</u>	<u>3,000</u>	<u>6,800</u>	<u>-</u>	<u>57,021</u>
Disbursements:							
Personal services	5,758,218	968,570	22,745	1,651	39,201	-	17,760
Supplies	238,793	80,689	285,399	-	2,840	10,266	10,337
Other services and charges	1,285,169	-	53,275	-	28,054	-	20,734
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	60,416	-	-	-	28,277	-	24,526
Other disbursements	1,889,794	-	-	-	3,450	-	95
Total disbursements	<u>9,232,390</u>	<u>1,049,259</u>	<u>361,419</u>	<u>1,651</u>	<u>101,822</u>	<u>10,266</u>	<u>73,452</u>
Excess (deficiency) of receipts over disbursements	<u>1,060,066</u>	<u>291,661</u>	<u>24,597</u>	<u>1,349</u>	<u>(95,022)</u>	<u>(10,266)</u>	<u>(16,431)</u>
Cash and investments - ending	<u>\$ 3,542,220</u>	<u>\$ 608,048</u>	<u>\$ 108,146</u>	<u>\$ 1,953</u>	<u>\$ 218,628</u>	<u>\$ 19,734</u>	<u>\$ 54,452</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	CASINO GAMING FUND	RAINY DAY FUND	LOIT CEDIT FUND	LEVY EXCESS	MERR. FIRE TERRITORY	CERTIFIED TECHNOLOGY PARK	CUM'L CAPITAL DEVELOPMENT
Cash and investments - beginning	\$ 217,525	\$ 216	\$ -	\$ 22,252	\$ 1,310,965	\$ -	\$ 763,660
Receipts:							
Taxes	-	-	-	-	1,708,147	-	311,837
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	395,620	-	698,571	-	105,546	-	19,038
Charges for services	-	-	-	-	231	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	11,734	-	-	-	34,405	6,055,491	-
Total receipts	<u>407,354</u>	<u>-</u>	<u>698,571</u>	<u>-</u>	<u>1,848,329</u>	<u>6,055,491</u>	<u>330,875</u>
Disbursements:							
Personal services	-	-	-	-	1,397,456	-	300,000
Supplies	-	-	-	-	33,907	-	-
Other services and charges	-	-	-	-	319,287	-	141,792
Debt service - principal and interest	-	-	-	-	-	-	96,892
Capital outlay	316,393	-	-	-	3,858	-	-
Other disbursements	-	-	698,571	-	-	5,580,584	-
Total disbursements	<u>316,393</u>	<u>-</u>	<u>698,571</u>	<u>-</u>	<u>1,754,508</u>	<u>5,580,584</u>	<u>538,684</u>
Excess (deficiency) of receipts over disbursements	<u>90,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,821</u>	<u>474,907</u>	<u>(207,809)</u>
Cash and investments - ending	<u>\$ 308,486</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 22,252</u>	<u>\$ 1,404,786</u>	<u>\$ 474,907</u>	<u>\$ 555,851</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	PARKS NON-REVERTING	POLICE EQUIPMENT	2013 FIRE PROJECT BOND	CUM'L FIRE EQUIPMENT	CUM. CAPITAL IMPROVEMENT	FIREFIGHTERS EQUIPMENT	PARK IMPACT FEES
Cash and investments - beginning	\$ 16,800	\$ 21,619	\$ 454,459	\$ 782,505	\$ 167,282	\$ 18,104	\$ 51,584
Receipts:							
Taxes	269	-	-	567,662	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	200	-	35,076	93,231	-	-
Charges for services	56,472	31,899	-	-	-	18,251	-
Fines and forfeits	-	128,483	-	-	-	-	-
Other receipts	-	30,245	-	-	-	-	14,174
Total receipts	<u>56,741</u>	<u>190,827</u>	<u>-</u>	<u>602,738</u>	<u>93,231</u>	<u>18,251</u>	<u>14,174</u>
Disbursements:							
Personal services	7,174	-	-	-	-	-	-
Supplies	2,004	11,462	-	-	-	-	-
Other services and charges	40,953	4,852	-	23,804	998	-	2,000
Debt service - principal and interest	-	-	-	75,545	-	-	-
Capital outlay	-	151,955	389,619	150,572	36,243	5,344	11,303
Other disbursements	1,801	-	-	-	-	-	-
Total disbursements	<u>51,932</u>	<u>168,269</u>	<u>389,619</u>	<u>249,921</u>	<u>37,241</u>	<u>5,344</u>	<u>13,303</u>
Excess (deficiency) of receipts over disbursements	<u>4,809</u>	<u>22,558</u>	<u>(389,619)</u>	<u>352,817</u>	<u>55,990</u>	<u>12,907</u>	<u>871</u>
Cash and investments - ending	<u>\$ 21,609</u>	<u>\$ 44,177</u>	<u>\$ 64,840</u>	<u>\$ 1,135,322</u>	<u>\$ 223,272</u>	<u>\$ 31,011</u>	<u>\$ 52,455</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	FIRE PENSION-PERF	TOWN COURT TRACKING	LOIT PUBLIC SAFETY FUND	NOXIOUS WEEDS NON-REVERT	EMPLOYEE INS. BENEFITS	COURT PROBATION	PUBLIC DEFENDER FEES
Cash and investments - beginning	\$ (71)	\$ 259,497	\$ -	\$ 32,615	\$ 52,381	\$ 24,293	\$ 633
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	650,543	-	-	-	-
Charges for services	-	-	-	13,522	-	-	-
Fines and forfeits	-	757,088	-	-	-	30,509	4,257
Other receipts	40,869	-	-	-	93	-	-
Total receipts	<u>40,869</u>	<u>757,088</u>	<u>650,543</u>	<u>13,522</u>	<u>93</u>	<u>30,509</u>	<u>4,257</u>
Disbursements:							
Personal services	-	-	649,385	18,871	-	27,350	-
Supplies	-	-	-	67	-	730	-
Other services and charges	-	-	-	108	-	2,000	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	40,739	802,028	-	-	-	-	-
Total disbursements	<u>40,739</u>	<u>802,028</u>	<u>649,385</u>	<u>19,046</u>	<u>-</u>	<u>30,080</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>130</u>	<u>(44,940)</u>	<u>1,158</u>	<u>(5,524)</u>	<u>93</u>	<u>429</u>	<u>4,257</u>
Cash and investments - ending	<u>\$ 59</u>	<u>\$ 214,557</u>	<u>\$ 1,158</u>	<u>\$ 27,091</u>	<u>\$ 52,474</u>	<u>\$ 24,722</u>	<u>\$ 4,890</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	RECORD PERPETUATION	VETERANS MEMORIAL	ENGINEERING FEES	POLICE DONATION	FIRE & HAZMAT	UNSAFE/BLIGHTED PROPERTY	POLICE SPECIAL GRANT
Cash and investments - beginning	\$ 2,195	\$ 3,114	\$ 50,523	\$ 56,965	\$ 191,335	\$ -	\$ 5,813
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	24,825	-	126,970	-	-
Intergovernmental receipts	-	-	-	-	-	-	17,260
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	4,908	-	-	-	1,350	-	-
Other receipts	-	50	-	68,372	-	15,006	-
Total receipts	<u>4,908</u>	<u>50</u>	<u>24,825</u>	<u>68,372</u>	<u>128,320</u>	<u>15,006</u>	<u>17,260</u>
Disbursements:							
Personal services	1,446	-	-	-	73,163	-	15,648
Supplies	-	-	-	27,162	3,563	-	-
Other services and charges	-	-	2,268	8,578	44,877	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	12,068	-	-	-
Other disbursements	-	-	-	-	750	-	-
Total disbursements	<u>1,446</u>	<u>-</u>	<u>2,268</u>	<u>47,808</u>	<u>122,353</u>	<u>-</u>	<u>15,648</u>
Excess (deficiency) of receipts over disbursements	<u>3,462</u>	<u>50</u>	<u>22,557</u>	<u>20,564</u>	<u>5,967</u>	<u>15,006</u>	<u>1,612</u>
Cash and investments - ending	<u>\$ 5,657</u>	<u>\$ 3,164</u>	<u>\$ 73,080</u>	<u>\$ 77,529</u>	<u>\$ 197,302</u>	<u>\$ 15,006</u>	<u>\$ 7,425</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	RECYCLING GRANT FUND	TOURISM	PROPERTY SEIZURE	O.T.B. DONATION	PARK DONATION	COUNTY REIMB/WELFARE	G.O.BOND DEBT SERVICE
Cash and investments - beginning	\$ 100,178	\$ 10,497	\$ 12,714	\$ 7,178	\$ 7,583	\$ 109	\$ 233,832
Receipts:							
Taxes	-	4,725	-	-	-	-	497,576
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	196,764	-	-	-	-	-	30,377
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	13	-	19,476	-	557	-	163,000
Total receipts	<u>196,777</u>	<u>4,725</u>	<u>19,476</u>	<u>-</u>	<u>557</u>	<u>-</u>	<u>690,953</u>
Disbursements:							
Personal services	154,075	-	-	-	-	-	-
Supplies	21,851	545	150	-	-	-	-
Other services and charges	3,825	830	-	7,175	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	580,363
Capital outlay	6,292	-	12,367	-	-	-	-
Other disbursements	-	-	-	-	-	-	108,000
Total disbursements	<u>186,043</u>	<u>1,375</u>	<u>12,517</u>	<u>7,175</u>	<u>-</u>	<u>-</u>	<u>688,363</u>
Excess (deficiency) of receipts over disbursements	<u>10,734</u>	<u>3,350</u>	<u>6,959</u>	<u>(7,175)</u>	<u>557</u>	<u>-</u>	<u>2,590</u>
Cash and investments - ending	<u>\$ 110,912</u>	<u>\$ 13,847</u>	<u>\$ 19,673</u>	<u>\$ 3</u>	<u>\$ 8,140</u>	<u>\$ 109</u>	<u>\$ 236,422</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	TIF DEBT SERV RESERVES	MERR. RD. TIF PROJECT	MERR. RD. TIF DEBT SVC.	BROADWAY TIF	MISS. ST. TIF DEBT SVC.	MISS. ST. TIF PROJECT	MS ST. DEBT SVC. RESERVE
Cash and investments - beginning	\$ 198,063	\$ 1,118,663	\$ 1,846,416	\$ 84,763	\$ 2,846,464	\$ 2,949,676	\$ 1,234,101
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	316	1,406,649	108,000	773,843	738,755	5,538,654	-
Total receipts	316	1,406,649	108,000	773,843	738,755	5,538,654	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	39,581	-	-	-	1,949,535	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,134,650	-	117,685	-	130,450	-
Other disbursements	-	-	297,608	528,397	1,325,100	2,653,500	-
Total disbursements	-	1,174,231	297,608	646,082	1,325,100	4,733,485	-
Excess (deficiency) of receipts over disbursements	316	232,418	(189,608)	127,761	(586,345)	805,169	-
Cash and investments - ending	\$ 198,379	\$ 1,351,081	\$ 1,656,808	\$ 212,524	\$ 2,260,119	\$ 3,754,845	\$ 1,234,101

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	AMERIPLEX AT CROSSROADS	STORMWATER RESERVES	2012 BDWY PROJECT BOND	2012 BDWY PROJECT BOND DS	MERR RD TIF TAX DEPOSITS	MISS ST TIF TAX DEPOSITS	BDWY TIF TAX DEPOSITS
Cash and investments - beginning	\$ 560,869	\$ 118,828	\$ 114,693	\$ 270,488	\$ 872,282	\$ 2,492,927	\$ 473,843
Receipts:							
Taxes	968,591	-	-	-	783,122	2,347,513	1,017,382
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	59,414	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	182,346	-	-	-
Total receipts	968,591	59,414	-	182,346	783,122	2,347,513	1,017,382
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	79,880	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,110,932	-	-	181,502	1,331,400	3,731,682	956,189
Total disbursements	1,110,932	-	79,880	181,502	1,331,400	3,731,682	956,189
Excess (deficiency) of receipts over disbursements	(142,341)	59,414	(79,880)	844	(548,278)	(1,384,169)	61,193
Cash and investments - ending	\$ 418,528	\$ 178,242	\$ 34,813	\$ 271,332	\$ 324,004	\$ 1,108,758	\$ 535,036

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	TOWN DONATIONS	2011 JUDGMNT BND DS-EMS	RDC BONDS 2005 DEBT SVC.	2010 JUDGMNT BND DS-ST LT	2012 G.O. BOND PROCEEDS	2012 G.O. BOND DS-PAVING	2013 G.O. BOND PROCEEDS
Cash and investments - beginning	\$ 14,855	\$ 19,496	\$ 708,297	\$ 31,642	\$ 481	\$ 233,606	\$ 953,246
Receipts:							
Taxes	-	17,040	785,556	59,641	-	434,527	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	1,040	47,958	3,641	-	26,528	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,790	-	36,000	3,000	-	10,000	-
Total receipts	28,790	18,080	869,514	66,282	-	471,055	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	21,383	27,803	-	-	481	481,850	942,260
Debt service - principal and interest	-	-	833,140	66,825	-	-	10,986
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	21,383	27,803	833,140	66,825	481	481,850	953,246
Excess (deficiency) of receipts over disbursements	7,407	(9,723)	36,374	(543)	(481)	(10,795)	(953,246)
Cash and investments - ending	\$ 22,262	\$ 9,773	\$ 744,671	\$ 31,099	\$ -	\$ 222,811	\$ -

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	2013 G.O. BND DS-RD IMPRV	2014 G.O. BOND PROCEEDS	2014 RDC BOND PROCEEDS	2014 CONSTRUCTION BAN	STORM WATER OPER./MAINT	STORMWATER CONSTRUCTION
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 653,545	\$ 37,785
Receipts:						
Taxes	494,168	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	30,169	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	2,950	-
Other receipts	-	1,999,312	4,183,376	2,430,000	1,148,401	309,009
Total receipts	<u>524,337</u>	<u>1,999,312</u>	<u>4,183,376</u>	<u>2,430,000</u>	<u>1,151,351</u>	<u>309,009</u>
Disbursements:						
Personal services	-	-	-	-	345,852	-
Supplies	-	-	-	-	71,477	-
Other services and charges	-	1,449,536	68,600	-	377,796	-
Debt service - principal and interest	256,758	-	-	-	281,919	-
Capital outlay	-	-	-	-	12,838	65,228
Other disbursements	-	-	-	2,400,000	-	-
Total disbursements	<u>256,758</u>	<u>1,449,536</u>	<u>68,600</u>	<u>2,400,000</u>	<u>1,089,882</u>	<u>65,228</u>
Excess (deficiency) of receipts over disbursements	<u>267,579</u>	<u>549,776</u>	<u>4,114,776</u>	<u>30,000</u>	<u>61,469</u>	<u>243,781</u>
Cash and investments - ending	<u>\$ 267,579</u>	<u>\$ 549,776</u>	<u>\$ 4,114,776</u>	<u>\$ 30,000</u>	<u>\$ 715,014</u>	<u>\$ 281,566</u>

TOWN OF MERRILLVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	STORMWATER GRANTS	PAYROLL	POLICE PENSION-25	POLICE PENSION-PERF	LANDSCAPING ESCROW	Totals
Cash and investments - beginning	\$ 11,902	\$ 147,065	\$ 42,964	\$ 3,507	\$ 2,500	\$ 26,218,549
Receipts:						
Taxes	-	-	11,928	-	-	15,882,816
Licenses and permits	-	-	-	-	-	1,066,376
Intergovernmental receipts	31,945	-	728	-	-	4,459,583
Charges for services	-	-	444,291	-	-	918,498
Fines and forfeits	-	-	-	-	-	1,194,482
Other receipts	-	7,528,365	769	166,356	24,000	35,733,223
Total receipts	31,945	7,528,365	457,716	166,356	24,000	59,254,978
Disbursements:						
Personal services	-	5,278,248	492,818	-	-	15,569,631
Supplies	-	-	-	-	-	801,242
Other services and charges	-	-	140	-	2,500	7,431,924
Debt service - principal and interest	-	-	-	-	-	2,202,428
Capital outlay	-	-	-	-	-	2,670,084
Other disbursements	-	2,247,424	-	165,835	-	26,055,381
Total disbursements	-	7,525,672	492,958	165,835	2,500	54,730,690
Excess (deficiency) of receipts over disbursements	31,945	2,693	(35,242)	521	21,500	4,524,288
Cash and investments - ending	<u>\$ 43,847</u>	<u>\$ 149,758</u>	<u>\$ 7,722</u>	<u>\$ 4,028</u>	<u>\$ 24,000</u>	<u>\$ 30,742,837</u>

TOWN OF MERRILLVILLE  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 4,318,712</u>	<u>\$ -</u>

TOWN OF MERRILLVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: CROSSROADS BANK	TRUCKS	\$ 68,714	11/01/2013	11/01/2017
MERRILLVILLE REDEV AUTHORITY	REFINANCE 2005 RDC BOND	<u>1,128,500</u>	02/01/2015	02/01/2026
Total of annual lease payments		<u>\$ 1,197,214</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2004 G.O. BOND DEBT SERVICE	\$ 1,410,000	\$ 590,591
General obligation bonds	2005 RDC BOND DEBT SERVICE	4,425,000	836,540
General obligation bonds	2010 JUDGMENT BOND-STREET LIGHTS	385,000	64,844
General obligation bonds	2011 JUDGMENT BOND-EMS	175,000	26,663
General obligation bonds	2012 G.O. BOND-PAVING	1,215,000	490,569
General obligation bonds	2013 G.O. BOND-RD IMPRV	1,755,000	517,348
General obligation bonds	2013 FIRE PROTECTION TERRITORY BOND	3,300,000	374,813
General obligation bonds	2014 G.O. BOND-RD IMPRV	1,970,000	279,400
General obligation bonds	2014 RDC BOND DEBT SERVICE	4,000,000	157,667
Revenue bonds	2012 REVENUE BOND-STORMWATER	3,015,000	277,919
Revenue bonds	2012 REVENUE BOND-BDWY PROJECT	1,310,000	176,757
Revenue bonds	MERRILLVILLE RD TIF DEBT SERVICE	1,710,000	184,073
Revenue bonds	MISSISSIPPI ST TIF DEBT SERVICE	12,635,000	1,211,750
Notes and loans payable	2014 BOND ANTICIPATION NOTE	<u>2,500,000</u>	<u>2,574,000</u>
Totals		<u>\$ 39,805,000</u>	<u>\$ 7,762,934</u>

TOWN OF MERRILLVILLE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2014

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:	
Land	\$ 6,581,889
Infrastructure	72,599,660
Buildings	4,820,380
Improvements other than buildings	2,851,690
Machinery, equipment, and vehicles	<u>13,259,765</u>
Total capital assets	<u>\$ 100,113,384</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TOWN OF MERRILLVILLE, LAKE COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the Town of Merrillville's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2014. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)


**Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 21, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Town. The schedule and notes are presented as intended by the Town.

TOWN OF MERRILLVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u> Urban and Community Forestry Program	Indiana Department of Natural Resources	10.675	300FR100UWI2011	\$ -	\$ 13,588
<u>Department of Commerce</u> Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419	CZ221	-	12,868
<u>Department of Justice</u> Bulletproof Vest Partnership Program	Direct grant	16.607	FY2013 BVP	-	1,919
Equitable Sharing Program Equitable Sharing Agreement Certification	Direct grant	16.922	FY2014	-	19,326
Total - Department of Justice				-	21,245
<u>Department of Transportation</u> Highway Planning and Construction Cluster Highway Planning and Construction 81st Avenue Right-of-ways HES-9945 (00W) Miss. St. Right-of-way Taft Street Drainage C&O Trail PE	Indiana Department of Transportation	20.205	DES #0901454 DES#0900067 DES#1173598 DES#1173706	- - - -	66,105 77,640 309,009 58,103
Total - Highway Planning and Construction Cluster				-	510,857
Highway Safety Cluster State and Community Highway Safety Operation Pullover IN Crim Justice OPO/DUI	Indiana Criminal Justice Institute	20.600	PT11040426	-	17,260
Total - Highway Safety Cluster				-	17,260
Total - Department of Transportation				-	528,117
<u>Department of Homeland Security</u> Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	UZPNU01	-	46,155
Total federal awards expended				\$ -	\$ 621,973

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF MERRILLVILLE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the Town, it is not intended to and does not present the financial position of the Town.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.



TOWN OF MERRILLVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. Internal controls over vendor disbursements were insufficient to prevent or detect errors in the payment of accounts payable vouchers (APV). Testing of vendor disbursements revealed that of the 51 APVs tested, 10 did not have the proper supporting documentation attached. The supporting documentation for the disbursements had to be requested from the department that made the purchase, or had to be located in the Clerk-Treasurer's office in order to verify the disbursement. Since the supporting documentation was not attached to the APV, it would have been difficult for the approval by the person receiving the goods, the certification that it was true and correct by the fiscal officer, and the allowance for payment by the Town Council.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override."

*Cause*

Management of the Town had not established a proper system of internal control.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the Town at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the Town. The documents are presented as intended by the Town.



# Town of Merrillville

7820 Broadway  
Merrillville, Indiana 46410  
(219) 769-5711 • Fax (219) 756-6170

January 30, 2017

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-03**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, INDOT  
Contact Person Responsible for Corrective Action: Bruce Spires  
Contact Phone Number: 219-769-5711 ext. 5

Status of Audit Finding: INDOT currently acts as the grant administrator for all federal grant highway projects. The Town's ERC submits reimbursement claims for engineering fees to INDOT for their review and approval before payment. The Clerk-Treasurer's Bookkeeper is notified when reimbursement has been sent and provides the verification to the ERC. Bruce Spires currently serves as the Town of Merrillville's ERC

INDOT is the lead agent when letting and awarding the actual construction project. The contractor signs a state approved contract with INDOT itself. INDOT's current boiler plate contract includes Suspension and Disbarment as well as Davis – Bacon.

Bruce Spires  
(Signature)

TOWN MANAGER  
(Title)

01/30/2017  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



# Town of Merrillville

7820 Broadway  
Merrillville, Indiana 46410  
(219) 769-5711 • Fax (219) 756-6170

January 30, 2017

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-04**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, INDOT  
Contact Person Responsible for Corrective Action: Bruce Spires  
Contact Phone Number: 219-769-5711 ext. 5

### Status of Audit Finding:

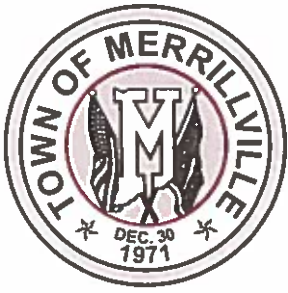
INDOT is the lead agent when letting and awarding the actual construction project. The contractor signs a state approved contract with INDOT itself. INDOT's current boiler plate contract includes Suspension and Disbarment as well as Davis – Bacon.

Bruce Spires  
(Signature)

TOWN MANAGER  
(Title)

01/30/2017  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



# Town of Merrillville

7820 BROADWAY  
MERRILLVILLE, INDIANA 46410  
(219) 769-3501  
FAX (219) 756-0542



**EUGENE M. GUERNSEY**  
CLERK - TREASURER

## CORRECTIVE ACTION PLAN

**FINDING 2014-001- Internal Controls Over Financial Transactions** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Eugene Guernsey  
Contact Phone Number: 219-769-3501

Views of Responsible Official: "We concur with the finding."

### Description of Corrective Action Plan:

Part 1: The Payroll Administrator will have a back-up person who will check and sign off on the distribution detail. The distribution detail shows the amount paid to the employee and which fund they were paid from.

Part 2: In the future, any payroll APV's will have proper documentation from reports that are printed after each payroll. Any insurance bills will have a copy of the invoice attached. Other APV's such as goods or services, the invoices will be checked and signed off by the department heads.

Anticipated Completion Date: As of February 13, 2017

Eugene M. Guernsey  
(Signature)

CLERK TREASURER  
(Title)

February 13, 2017  
(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Town. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.