

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

FINANCIAL STATEMENTS REVIEW REPORT

OF

TOWN OF DUNE ACRES

PORTER COUNTY, INDIANA

January 1, 2016 to December 31, 2020



**FILED**  
04/21/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeannette Bapst	01-01-16 to 12-31-22
President of the Town Council	Richard Hawksworth	01-01-16 to 12-31-22



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE TOWN OF DUNE ACRES, PORTER COUNTY, INDIANA

We have reviewed the accompanying financial statements of the Town of Dune Acres (Town), for the period of January 1, 2016 to December 31, 2020. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Town's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a regulatory 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This includes determining that the basis of accounting the Town uses is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT  
(Continued)

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the prescribed basis of accounting described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 12, 2022

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

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TOWN OF DUNE ACRES  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2016 and 2017

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16	Receipts	Disbursements	Cash and Investments 12-31-17
GENERAL	\$ 151,462	\$ 306,546	\$ 311,007	\$ 147,001	\$ 370,547	\$ 308,586	\$ 208,962
MOTOR VEHICLE HIGHWAY	21,032	54,705	53,245	22,492	55,905	52,000	26,397
LOCAL ROAD & STREET	5,977	5,662	5,648	5,991	7,171	5,000	8,162
Motor Vehicle Highway Restricted	-	-	-	-	-	-	-
PARK & RECREATION	2,500	6,976	7,474	2,002	7,302	6,594	2,710
Rainy Day Fund	131,931	-	-	131,931	-	-	131,931
LEVY EXCESS FUND	53	-	53	-	21,914	-	21,914
CCI	1,819	464	1,000	1,283	443	1,000	726
CCD	31,184	10,464	14,811	26,837	10,502	17,283	20,056
CEDIT	24,072	12,923	15,786	21,209	13,715	17,646	17,278
Riverboat Revenue Sharing	3,019	1,078	1,500	2,597	1,078	2,500	1,175
CARES Provider Relief Fund	-	-	-	-	-	-	-
SalesTaxClubHouseRental	298	189	446	41	364	376	29
Clubhouse Dune Restoration Grant	-	9,500	13,446	(3,946)	5,500	1,554	-
LOIT Special Distribution	-	3,538	3,538	-	-	-	-
Rainy Day Restricted	-	43,435	43,435	-	-	-	-
Local Road & Bridge Grant	-	46,973	93,945	(46,972)	110,935	139,789	(75,826)
DONATIONS	30,408	10,926	15,279	26,055	18,881	14,291	30,645
PAYROLL	-	156,734	156,734	-	165,517	165,517	-
Construction Security Dep	25,000	-	15,000	10,000	30,000	15,000	25,000
ClubHouseRentalDeposit	1,650	3,000	3,150	1,500	4,800	5,400	900
Totals	<u>\$ 430,405</u>	<u>\$ 673,113</u>	<u>\$ 755,497</u>	<u>\$ 348,021</u>	<u>\$ 824,574</u>	<u>\$ 752,536</u>	<u>\$ 420,059</u>

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

TOWN OF DUNE ACRES  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2018 and 2019

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18	Receipts	Disbursements	Cash and Investments 12-31-19
GENERAL	\$ 208,962	\$ 364,155	\$ 381,722	\$ 191,395	\$ 366,481	\$ 372,479	\$ 185,397
MOTOR VEHICLE HIGHWAY	26,397	61,698	60,000	28,095	54,282	55,649	26,728
LOCAL ROAD & STREET	8,162	9,764	6,000	11,926	9,163	5,298	15,791
Motor Vehicle Highway Restricted	-	-	-	-	3,917	-	3,917
PARK & RECREATION	2,710	58,904	7,726	53,888	7,393	11,161	50,120
Rainy Day Fund	131,931	-	21,931	110,000	-	-	110,000
LEVY EXCESS FUND	21,914	-	21,914	-	-	-	-
CCI	726	425	1,000	151	416	-	567
CCD	20,056	30,705	29,882	20,879	26,494	15,995	31,378
LIT	17,278	13,338	19,899	10,717	15,425	10,000	16,142
Riverboat Revenue Sharing	1,175	1,078	2,000	253	1,078	-	1,331
CARES Provider Relief Fund	-	-	-	-	-	-	-
SalesTaxClubHouseRental	29	312	-	341	455	296	500
Clubhouse Dune Restoration Grant	-	-	1,825	(1,825)	18,594	23,175	(6,406)
LOIT Special Distribution	-	-	-	-	-	-	-
Rainy Day Restricted	-	-	-	-	-	-	-
Local Road & Bridge Grant	(75,826)	298,342	114,000	108,516	241,611	350,125	2
DONATIONS	30,645	8,950	12,627	26,968	39,514	39,012	27,470
PAYROLL	-	171,276	171,276	-	175,462	175,462	-
Construction Security Dep	25,000	15,000	7,500	32,500	7,500	15,000	25,000
ClubHouseRentalDeposit	900	3,400	3,700	600	5,704	3,100	3,204
Totals	<u>\$ 420,059</u>	<u>\$ 1,037,347</u>	<u>\$ 863,002</u>	<u>\$ 594,404</u>	<u>\$ 973,489</u>	<u>\$ 1,076,752</u>	<u>\$ 491,141</u>

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

TOWN OF DUNE ACRES  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20
GENERAL	\$ 185,397	\$ 366,415	\$ 351,919	\$ 199,893
MOTOR VEHICLE HIGHWAY	26,728	53,411	48,044	32,095
LOCAL ROAD & STREET	15,791	9,828	5,964	19,655
Motor Vehicle Highway Restricted	3,917	3,454	7,000	371
PARK & RECREATION	50,120	7,563	10,096	47,587
Rainy Day Fund	110,000	-	-	110,000
LEVY EXCES FUND	-	-	-	-
CCI	567	395	-	962
CCD	31,378	25,675	29,009	28,044
LIT	16,142	16,864	14,010	18,996
Riverboat Revenue Sharing	1,331	1,078	2,000	409
CARES Provider Relief Fund	-	5,904	5,904	-
SalesTaxClubHouseRental	500	291	529	262
Clubhouse Dune Restoration Grant	(6,406)	6,406	-	-
LOIT Special Distribution	-	-	-	-
Rainy Day Restricted	-	-	-	-
Local Road & Bridge Grant	2	148,741	148,741	2
DONATIONS	27,470	72,081	69,023	30,528
PAYROLL	-	176,002	176,002	-
Construction Security Dep	25,000	15,000	22,500	17,500
ClubHouseRentalDeposit	3,204	3,400	4,004	2,600
Totals	\$ 491,141	\$ 912,508	\$ 894,745	\$ 508,904

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

TOWN OF DUNE ACRES  
NOTES TO FINANCIAL STATEMENTS

**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, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

**B. Basis of Accounting**

The financial statements are 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 statements. 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 nonbusinesses 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 DUNE ACRES  
NOTES TO FINANCIAL STATEMENTS  
(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.

*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 statements. 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.

*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.

TOWN OF DUNE ACRES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*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 December 31 of the year preceding the budget year or January 15 of the budget year if the Town is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

**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.

TOWN OF DUNE ACRES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Cash Balance Deficits**

The financial statements contain funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the Town were not received by December 31, 2016, 2017, 2018, and 2019.

TOWN OF DUNE ACRES  
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2022, with Jeannette Bapst, Clerk-Treasurer, and Richard Hawksworth, President of the Town Council.