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Missouri State Auditor

Village of Indian Point



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Indian Point

Sewer Project	The Board of Trustees is not adequately monitoring the Board of Public Works (BPW). The sewer project was poorly planned and system revenues are not sufficient to meet all operational costs. The village spent over \$8,000 on wireless meters which it cannot utilize because it has not purchased the equipment necessary to do so; it has no valid estimate of how much it will cost for waste removal; and deficiencies identified by the Missouri Department of Natural Resources are expected to cost approximately \$100,000 to remedy. Approximately \$120,000 in change orders were approved by the BPW without the approval of the Board of Trustees. The 2010 budget for the BPW reflected an estimated negative cash balance of \$99,000 at December 31, 2010, as system revenues are not sufficient to meet all operational costs. Sewer rates have not been reviewed since 2005. Adequate documentation of disbursements, warranties, performance bonds and contracts was not maintained.
Municipal Center	The Municipal Center project and corresponding debt issuance was not properly planned. The village paid \$49,762 in principal and interest before breaking ground on the project. In addition, the village had funds available at the time that may have been utilized for the project. Because the debt cannot be prepaid until 2017, this financing arrangement will result in interest costs totaling approximately \$185,000.
Village Disbursements	The village does not have a formal bidding policy, and some bid documentation was not retained. In addition, some products and services were not bid. The village used the same engineering firm for several years without documentation of any evaluation and consideration of other firms. Disbursement approval is not adequately documented.
Accounting Controls and Procedures	Accounting duties are not segregated, and insufficient oversight exists to ensure transactions are properly recorded and assets are safeguarded. Monies received are not recorded and deposited promptly, and receipt slips are not accounted for properly. Village financial records are not accurate, with some disbursements not listed or misclassified. Bank reconciliations are not performed timely, and some important records were not properly retained.
Board of Public Works Utility Controls and Procedures	Significant weaknesses were identified in controls and procedures related to the utility system, and as a result, there is less assurance all utility monies have been accounted for properly. Accounting duties are not segregated, monies received are not promptly recorded and deposited, and checks are not securely maintained. Bank reconciliations are not performed timely, and adjustments to accounts are not properly authorized or documented. Formal policies and procedures related to delayed sewer payments have not been established, and village ordinances requiring penalties and service shutoff have not been enforced with respect to delinquent customers, including the Village Board Chairman and the BPW Chairman.

Payroll Controls and Procedures	Timesheets are not always signed by employees and supervisors, and adequate records of vacation, sick and compensatory leave are not maintained. Christmas bonuses paid to the Chief of Police and a police officer, and \$1,000 paid to the Chief of Police for duties as interim village administrator were not properly reported or subjected to payroll tax withholdings. No documentation was maintained of how the \$1,000 payment was determined.
Audits, Budgets, and Financial Statements	The village did not obtain a required annual audit of the sewer system or publish semiannual financial statements as required by state law. Budgets did not include all information required by state law and contained errors. The BPW budgeted a deficit balance.
Meetings and Records	Meeting minutes lacked sufficient detail and were difficult to locate. Email was used for some votes, in violation of state law requiring that a quorum of Board members be physically present during a vote.
Elected Officials	A Board of Trustees member voted to appoint his wife to the BPW, and a candidate was listed on the ballot for the Board of Trustees even though his sewer account was in arrears at the time.
Capital Assets	The village does not maintain records for its capital assets. Property is not tagged for identification, and an annual physical inventory is not performed, making it difficult to determine proper insurance coverage and safeguard village assets from loss, theft, or misuse.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)	The Village of Indian Point did not receive any federal stimulus monies during the audited time period.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH

Missouri State Auditor

To the Board of Trustees
Village of Indian Point, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Indian Point. We have audited certain operations of the village in fulfillment of our duties. The village engaged Schultz Durham & Rapp, P.C., Certified Public Accountants (CPAs), to perform agreed upon procedures related to the village's sewer project for the 3 years ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Indian Point.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Village of Indian Point Management Advisory Report State Auditor's Findings

1. Sewer Project

The sewer project was poorly planned and system revenues are not sufficient to meet all operational costs. In addition, supporting documentation was not maintained for some sewer project disbursements.

The construction of a waste-water system for the Village of Indian Point has been in process for many years. In 1995, voters approved a bond issue for approximately \$5 million to fund the construction of a system. In 2004, village trustees established the Board of Public Works (BPW). According to village ordinances and state law, the BPW is responsible for operating and maintaining the village sewer system under the authority of the village trustees. Bonds totaling \$795,000 to fund the construction of the waste-water system were issued in 2005, with the balance of the bond issue not utilized.

The BPW initially planned to construct a centralized waste-water system, but to reduce costs instead constructed a decentralized system. The decentralized system is designed to handle liquid waste and requires the BPW to pump solid waste out of tanks installed throughout the system. The BPW has contracted with an outside vendor to pump the tanks and take the solid waste to a neighboring city's sewer system.

Approximately \$1.8 million was disbursed to construct the waste-water system financed by the bond issue through a state revolving fund (SRF) loan totaling \$795,000, a state grant totaling \$500,144, a donation from a local developer totaling \$296,950, a lease purchase agreement totaling \$177,000, and the remaining costs paid with village operating funds. Construction started in 2008, and the system became operational in 2009.

1.1 Planning and oversight

The sewer project was poorly planned and oversight by the village Board of Trustees was inadequate.

- The BPW does not have a clear estimate of the costs associated with pumping the tanks and hauling the solid waste to a neighboring city's sewer system. The BPW was unable to locate a written contract for this service specifying the costs and could only provide documentation indicating that recently one of the 54 tanks was pumped out costing \$200. Because the system is relatively new, most tanks have not yet been required to be pumped; however, the BPW does not have an estimate on how often pumping will be required.
- The village does not have a long-term plan to address the costs of a holding tank installed on Map Lane. According to the Missouri Department of Natural Resources (DNR), two homes located on Map Lane were not included in the approved plans for the construction of the sewer system, and as a result, the homes could not be connected to the system. To remedy this problem, the BPW placed a holding tank in the area and approximately twice a month the tank is pumped by an outside



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vendor. According to DNR personnel, the holding tank at Map Lane was approved as a temporary solution; however, the village does not have a long-term plan to address the current situation. The BPW has been paying approximately \$190 monthly to pump this tank.

- Financing for the installation of the sewage holding tanks was not secured until after the project started. According to BPW records, the bid for the sewage holding tanks was awarded to the contractor on September 8, 2008, and the contract was signed on October 14, 2008, but financing totaling \$177,000 was not secured until March 15, 2009.
- Wireless meters costing \$8,172 were installed during construction of the waste-water system but are not utilized by the BPW. A change order was issued during construction to allow wireless reading of the meters; however, the village has not purchased the equipment which would allow them to wirelessly read the meters, and according to BPW personnel, there are no plans to purchase the equipment. Currently, customers are charged a set rate and are not charged based on use.
- Because of an error when the village purchased the land to construct the treatment facility, a corner of the flow equalization tank was placed on private property. Attempts have been made by the village to obtain a quit claim deed; however, the attempts have been unsuccessful.
- On June 30, 2010, the BPW received a letter from the DNR listing deficiencies noted during an inspection of the sewer system. For example, a single pump was installed to transport waste instead of a duplex pumping system as stipulated in the approved engineering plans. Additionally, the letter stated the BPW had to submit a plan for correcting the deficiencies by September 30, 2010; however, this deadline was not met. BPW officials are currently working with DNR officials and estimate the cost of the additional work will be approximately \$100,000.
- Although change orders and invoices for costs associated with the construction and operation of the waste-water system were discussed and approved during BPW meetings, they were not approved by the village Board of Trustees. According to Ordinance 03-14 which created the BPW, all contracts and invoices must be submitted to the village Board of Trustees for approval before disbursement is made. The village expended approximately \$120,000 as a result of 15 change orders.

Given the concerns noted in this report, it is apparent the village Board of Trustees is not adequately monitoring the BPW. Adequate planning for major capital disbursements and monitoring by the BPW and the village



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Board of Trustees is necessary to ensure the project is financially feasible and to help prevent potential problems or misunderstandings during the project.

1.2 Financial condition

System revenues are not sufficient to meet all operational costs, and sewer rates have not been reviewed since 2005. The 2010 budget for the BPW reflected an estimated negative cash balance of \$99,000 at December 31, 2010.

According to the June 8, 2010, village meeting minutes, the BPW Chairman reported the current user fees are failing to generate sufficient funds to pay for the operation of the sewer system and the debt incurred. The BPW Chairman requested the village make the bond and lease purchase payments totaling approximately \$65,000 annually. The village Board of Trustees agreed to make these payments for the BPW.

The village and BPW have not performed a formal review of sewer rates since 2005. Rates were set based upon initial estimated costs of a centralized system, not actual costs of a decentralized system, and as a result, the rates charged are not covering all costs. For example, the costs of pumping solid waste from tanks (including Map Lane) are not included in the rate calculations. According to the rate calculations, annual operating costs were estimated at approximately \$57,000; however, actual annual operating costs including bond and lease payments are approximately \$220,000. Residential system users pay approximately \$34 monthly.

Additionally, sewer rate calculations were based upon 149 system users (58 residential users and 91 resort users), but the village only has 54 system users. As a result, system revenues are significantly less than anticipated.

Further, the costs associated with the sewage tanks installed on each customer's property is not included in the rate calculation but billed separately to each customer, and some sewer customers are not paying for the sewage tanks. The BPW charged customers approximately \$2,000 to \$4,000 for residential sewage tanks. Some customers are refusing to pay the BPW, some are making payments, and some have paid in full. There is no ordinance in place requiring payment for the tanks, and the BPW does not have adequate records tracking the amounts owed by each customer for tank installation.

Finally, the BPW has not enforced the collection of various fees for sewer service, established formal written policies and procedures related to delayed payment plans, or shutoff sewer service when accounts are delinquent. (See MAR finding number 5).

It is essential the Board of Trustees and the BPW address the shortfall in system revenues both in the immediate- and long-term future. Sewer fees



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are user charges which should cover the cost of providing the related services. To improve the financial condition of the BPW, the Board of Trustees and BPW should perform a detailed review of sewer rates, consult legal counsel regarding charges for sewage tanks, and adequately track amounts owed by each customer.

1.3 Supporting documentation

Adequate supporting documentation was not maintained for some sewer project disbursements. Further, sewer equipment warranties and contractor bonds were not maintained by the village.

- Supporting documentation could not be located for payments totaling approximately \$779,000 (58 percent) of more than \$1.35 million paid to the sewer contractor. In addition, in April 2009, a check for \$105,554 was issued from the BPW account to another contractor for removing existing septic tanks and installing replacement tanks; however, there was no invoice to support the payment.
- Written warranties for sewer equipment could not be located. Repairs totaling approximately \$3,400 were made to a sewer pump and paid for by the BPW. BPW officials indicated they believed the work would not be covered under warranty, but because warranty documentation could not be located this is unclear.
- The performance bond for the contractor performing work on Map Lane could not be located.
- Copies of some contracts did not contain all signatures. The SRF loan agreement was not signed by all parties involved, and the lease purchase agreement for the tanks was not signed by the leaseholder.

All disbursements should be supported by paid receipts, itemized vendor invoices, signed contracts, or other detailed documentation to ensure the obligation was actually incurred and the amount paid was proper. Performance bonds and written warranties are necessary to ensure all parties are aware of their duties, rights, and responsibilities, and to prevent misunderstandings.

Recommendations

The Village of Indian Point Board of Trustees:

- 1.1 Work with the BPW to ensure all capital improvement projects are properly planned and provide adequate oversight of the BPW. Additionally, the Board of Trustees and the BPW should work together to resolve all issues with the current sewer system.



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- 1.2 Closely monitor the financial condition of the BPW by performing a review of sewer rates, consult legal counsel regarding sewage tank charges, and adequately track amounts owed by each customer.
- 1.3 Ensure all disbursements are supported by adequate documentation and signed contracts, and performance bonds and written warranties are maintained.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 1.1 *Most of the individuals on the Board of Trustees are relatively new and had these same concerns. The Board of Trustees and BPW are now working together to resolve the sewer system issues. We have contracted with a new engineer and are working to cut costs of operating the system.*
- 1.2 *The recently hired engineer is performing a new rate analysis. The BPW has hired a clerk to perform accounting duties and is now able to account for amounts paid on the tanks.*
- 1.3 *We plan to maintain all supporting documents in the future.*

2. Municipal Center

The village did not adequately plan for the financing of the Municipal Center and as a result, the village incurred unnecessary debt and interest. In April 2007, the village issued Certificates of Participation (COPs) totaling \$318,000 to finance the construction of a new municipal center; however, construction was not started until August 2009. The village made payments totaling \$49,762 (interest of \$29,762 and principal of \$20,000) before breaking ground for the new facility. In addition, it is not clear why the village issued COPs when it had approximately \$400,000 in certificates of deposit (CDs) and a money market account earning less than 1 percent interest available for potential use.

Based upon meeting minutes, the delay in this project was caused by the indecisiveness of the Board of Trustees. Meeting minutes for June 2009 indicate the Board of Trustees considered discontinuing the project because of uncertainty about the village having the funds to make the payments. Further, there are no documented plans for the use of the funds in the CDs and money market account, and no evidence the Board of Trustees considered utilizing some or all of these funds when constructing the Municipal Building. The COPs are for a 20-year term to be repaid in annual principal payments with semi-annual interest payments totaling approximately \$25,000. Based on the terms of the COPs, the certificates cannot be prepaid until 2017. This financing arrangement will result in interest costs totaling approximately \$185,000.



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In the future, to ensure efficient use of village funds and avoid unnecessary interest costs, the Board of Trustees should plan financing to coincide with the timing of construction, and consider utilizing a portion of village reserves for construction costs.

Recommendation

The Village of Indian Point Board of Trustees ensure capital improvement projects and corresponding debt issuance are properly planned to prevent unnecessary interest costs.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We recognize the center was not properly planned by the former Board of Trustees. We will ensure future capital improvements and corresponding debt is properly planned.

3. Village Disbursements

Controls and procedures over village disbursements need improvement.

3.1 Bidding policy and procedures

The village does not have a formal bidding policy. Village officials indicated they generally require bids for purchases over \$500; however, while village personnel indicated some bids were solicited through telephone quotes or direct contact with vendors, documentation showing vendors contacted, prices quoted, and reasons for selecting the vendor were not retained. Additionally, the Board of Trustees did not ensure some products and services purchased by the BPW related to the waste-water system were bid. Bids were not solicited for road repairs (\$20,736), the Municipal Center well (\$9,480), and the utility billing system (\$6,445). Adequate bid documentation was not maintained for storm sirens costing \$17,447.

In addition, the village did not document the reasons for selecting other than the lowest bid for construction of the Municipal Center. The building task force committee received five bids for the construction of the building. On June 2, 2009, the Village Board of Trustees accepted the higher bid of \$291,450, which was \$74,937 more than the lowest bid. While Board meeting minutes generally indicated negotiations occurred with contractors, the village had no documentation to support selecting the higher bid.

Further, the BPW used the services of the same attorney for several years without any documentation of considering other attorneys. Payments to the attorney totaled approximately \$51,000 for the year ended December 31, 2009. The BPW also did not maintain a written agreement with its attorney.

Formal bidding procedures for purchases provide a framework for economical management of village resources. Routine use of a competitive



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procurement process for major purchases ensures the village has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in village business. Documentation of the various proposals received, and the selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. Further, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

3.2 Engineering services

The village and BPW used the services of the same engineering firm for all phases of the sewer project for several years without documentation of the evaluation and consideration of other firms. Payments to the engineer totaled approximately \$52,000 for the year ended December 31, 2009. Additionally, the village hired a different engineering firm in 2010 for sewer project repairs and did not document its evaluation and selection of the engineering firm.

Sections 8.289 and 8.291, RSMo, provide guidance on the selection of engineering services.

3.3 Disbursement approval and documentation

The review and approval of disbursements by the Board of Trustees and BPW need improvement.

Although meeting minutes occasionally documented discussion of approving accounts payable, the approval of disbursements is generally not documented. As of June 2010, a list of disbursements is prepared by the Village Board Chairman for review, but the list is not signed or initialed by the Board to document approval, and not all disbursements are included on the list. Additionally, the BPW does not meet every month; however, some bills are paid monthly without evidence of approval.

To adequately document review and approval of all disbursements, a complete and detailed list of disbursements should be prepared, signed or initialed by the Board or BPW to denote approval, and retained.

3.4 Banking services

The village has not solicited proposals for banking services, and better oversight is needed over village bank accounts.

- The village has not solicited proposals from various banking institutions for the deposit of village monies and does not have a written agreement with its depository bank documenting the services the bank will perform. Periodically soliciting proposals for banking services will help ensure banking services received, as well as the costs of these services, are reasonable and competitive. Further, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.



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- Many village checks were signed by the Village Vice Chairman and two trustees who did not have authority to sign checks. Although bank signature cards allow these individuals to sign checks, a village resolution indicates checks should be signed by the chairman, and/or village secretary/treasurer, and/or village clerk/administrator. Additionally, a former village clerk, who left in May 2010, is still authorized to sign checks on the village account as of September 2010. To comply with village resolutions and ensure adequate controls exist over bank accounts, the village should update the bank signature cards and ensure checks are signed only by authorized signatories. Further, steps should be taken to remove the former employee from the bank signature card.

3.5 Water study

The village contracted for a water study costing \$10,000 in 2008; however, the study has not been completed. According to the engineering firm, it has not been completed due to the Board's indecisiveness regarding the study, conflict between the current village trustees, and unpaid invoices for the water study and other services totaling \$8,853 due to the firm. Payments totaling \$6,723 have been made to the engineering firm for the incomplete water study.

To ensure monies are spent efficiently, the village should determine if the water study is needed, and resolve issues regarding the unpaid invoices.

Recommendations

The Village of Indian Point Board of Trustees:

- 3.1 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected. In addition, the Board of Trustees should ensure the BPW maintains a written agreement with its attorney.
- 3.2 Comply with state law regarding the selection of engineering services.
- 3.3 Document the approval of village and BPW disbursements by including a complete list of all disbursements in the meeting minutes and signing or initialing the list to denote approval.
- 3.4 Solicit proposals for banking services on a periodic basis and enter into a depository agreement with the bank. In addition, the Board of Trustees should comply with the village resolution regarding check signatures, and remove the former employee from the signature card at the bank.
- 3.5 Contact the engineering firm and resolve the issues regarding the water study and unpaid invoices.



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Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 3.1 *We have recently adopted an ordinance outlining a bid policy. We are currently seeking qualifications for an attorney and have solicited bids for other items such as auditing services and propane.*
- 3.2 *We recently requested and obtained qualifications for engineering services before contracting with our new engineer; however, we are still working with our previous engineer on the trails project.*
- 3.3 *We have or will comply with this recommendation. The Board of Trustees started signing the list of paid bills last month, and the BPW has resumed having meetings twice a month.*
- 3.4 *We recently solicited bids for banking services. We have changed banks and have a written agreement. In addition, we plan to change the resolution to include all trustees as check signers and the former employee has been taken off the signature card.*
- 3.5 *We are working with the engineer to resolve this issue. We have requested a detailed invoice documenting all unpaid charges from the engineer.*

4. Accounting Controls and Procedures

Accounting controls and procedures utilized by the village need improvement.

4.1 Segregation of duties

There is minimal oversight and inadequate segregation of accounting duties. The village clerk is responsible for receipting and disbursing monies, performing bank reconciliations, and preparing monthly financial reports. Additionally, the village clerk provides one of the two required signatures on checks, including payroll checks. The bank statements are not provided to the Board for review, and there is minimal evidence the Board provides adequate supervision or review of the work performed by the village clerk.

For several months during 2009 and 2010, the village did not have an employee in the position of village clerk, and as a result, the Village Board Chairman and Chief of Police performed the accounting duties. Adequate segregation and oversight was also not performed during these months.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of



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duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

4.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- Monies received are not recorded and deposited in a timely manner. Monies received are placed in the safe; however, a receipt slip is not issued and the monies are not posted to the computer system until the deposit is prepared. During our cash count, we noted monies for two deposits totaling \$727 and \$332 were received on June 29, 2010, and July 12, 2010, respectively, yet were not deposited until July 26, 2010.
- Generic rediform receipt slips, instead of official receipt slips, are issued for monies paid in person at the Municipal Center, and the numerical sequence of receipt slips is not accounted for properly. Additionally, receipt slips are not issued for monies received through the mail. Of the receipt slips reviewed, the first eight pages of a receipt book were missing and several other receipt slips had both the original and carbon copy removed. Additionally, one receipt slip was used for the personal business of the Village Board Chairman.
- The method of payment is not documented on receipt records and, as a result, the composition of receipts cannot be reconciled to the composition of deposits.
- Checks are not restrictively endorsed immediately upon receipt.

To ensure monies are recorded and accounted for properly, receipts should be posted to the computer system and deposits made in a timely manner, official prenumbered receipt slips should be issued for all monies received with all receipt slip numbers accounted for properly, the method of payment should be documented, and the composition of receipts should be reconciled to the composition of deposits. Additionally, checks should be restrictively endorsed immediately upon receipt.

4.3 Financial records

Village financial records are not accurate.

- A check totaling \$10,131 disbursed to the BPW and other transactions totaling \$3,519 were not included as disbursements on the profit and loss statement for the year ended December 31, 2009, resulting in an overstatement of the cash balance.
- Some disbursements are inaccurately classified in the village accounting system. For example, profit and loss reports prepared in 2009 for the year ended December 31, 2008, indicated interest for the SRF loan totaled \$127,735; however, only \$40,893 of this amount was interest.



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The remaining amount was for payments of engineering and legal services.

- The treasurer's report dated January 19, 2010 showing 2009 and 2008 financial activity presented to the Board of Trustees, did not include income totaling approximately \$55,000 and \$119,000, respectively.

The differences appear to be the result of posting errors in the accounting system. Accurate financial information is necessary to provide the Board with sufficient information to make informed decisions and to provide residents with reliable information about village finances.

4.4 Bank reconciliations

Bank reconciliations for the village account are not always performed in a timely manner. As of October 2010, there were no bank reconciliations documented for June through September 2010.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors.

4.5 Record retention

We noted numerous village records were not maintained and had to be obtained from other sources or were not maintained in the Municipal Center.

- The village hired an engineering firm to prepare a master plan for the village, and invoices indicate the work was completed in February 2009. The engineering firm indicated the master plan was presented to the Board; however, the master plan was not retained by the village.
- Records for the construction of the Municipal Center are maintained at the home of a trustee instead of at the Municipal Center.

Record retention is necessary to ensure the validity of transactions and provide an audit trail.

Recommendations

The Village of Indian Point Board of Trustees:

- 4.1 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
- 4.2 Ensure monies are posted to the computer system and deposited in a timely manner, official prenumbered receipt slips are issued for all monies received, the numerical sequence of receipt slips is accounted for properly, the method of payment is documented, the



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composition of receipts is reconciled to the composition of deposits, and checks are restrictively endorsed immediately upon receipt.

- 4.3 Ensure village financial records are accurately maintained.
- 4.4 Ensure bank reconciliations are performed timely.
- 4.5 Ensure village records are properly retained and stored at the Municipal Center.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 4.1 *We recently hired a village clerk and we are providing adequate oversight.*
- 4.2 *We have implemented this recommendation.*
- 4.3 *The village clerk is currently maintaining accurate financial records and has been working on correcting the financial records for past years.*
- 4.4 *Bank reconciliations have now been performed and are up to date.*
- 4.5 *We are now maintaining all village records in the Municipal Center.*

5. Board of Public Works Utility Controls and Procedures

Significant weaknesses were identified in controls and procedures related to the utility system maintained by the BPW. As a result, there is less assurance all utility monies have been accounted for properly.

5.1 Segregation of duties

There is minimal oversight and inadequate segregation of accounting duties for the utility system. Accounting duties, such as receiving and disbursing monies and performing bank reconciliations, are performed by the BPW Clerk without adequate oversight. During several months in 2009 and 2010, the BPW did not have an employee to perform accounting duties, and as a result, the BPW members performed the duties. During this time, these duties were also not performed adequately or timely.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.



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5.2 Controls over monies received

Improvement is needed in controls over monies received.

- Sewer monies are not recorded immediately upon receipt. Monies are received through the mail or in the office and placed in a drawer. The monies are not posted to the computer system until the deposit is prepared.
- Monies received are not deposited in a timely manner. We performed a cash count on August 5, 2010, and noted 62 checks totaling \$5,824 on hand. Most of these checks represented payments received during July. These checks were not posted to the computerized sewer system and deposited until August 16, 2010. The last deposit prior to our cash count was on July 7, 2010. Additionally, a check totaling \$2,800 for sewer and tank fees was collected by the BPW Chairman on July 6, 2010, but the check was not turned into the office until September 7, 2010. The check was not deposited until October 18, 2010.
- Sewer receipts are not adequately secured. The 62 checks noted above were stored in an unlocked desk drawer. Throughout the audit, we continued to observe unsecured checks on the desk and in the desk drawer. Further, we noted one occasion where the door on the safe was not adequately secured.
- Checks and money orders are not restrictively endorsed immediately upon receipt.

To ensure receipts are recorded and accounted for properly, monies should be recorded immediately upon receipt, deposits should be made timely, receipts should be adequately secured, and checks and money orders should be restrictively endorsed immediately upon receipt.

5.3 Receipt records

The BPW needs better accountability over computerized receipt numbers and customer accounts.

- The numerical sequence of computerized receipt slips is not accounted for properly. Some receipt numbers were missing from receipt reports reviewed, and software support personnel indicated they could not locate these numbers but believe it is likely due to personnel viewing an individual's sewer account and exiting the account without posting a payment or recording an adjustment.
- Receipt amounts posted to customer accounts in the utility system are not reconciled to receipt amounts posted to the accounting system. As a result, errors in posting are not identified. For example, a payment totaling \$52 was posted to the accounting system and deposited, but not posted to the customer account in the utility system.



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To ensure sewer receipts are properly recorded, the numerical sequence of receipt slips should be accounted for properly, and receipt amounts posted to the utility system should be reconciled to receipt amounts recorded in the accounting system.

5.4 Bank reconciliations

Bank reconciliations are not always performed in a timely manner. As of October 2010, there were no bank reconciliations documented for December 2009 through September 2010.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors.

5.5 Adjustments

Adjustments made to customer sewer accounts are not properly authorized or adequately documented. Reasons for adjustments to customer sewer accounts include payments posted to the wrong account, payments duplicated to an account, and the removal of interest charges. While reasons to adjust the billings may be valid, the utility clerk collects sewer payments and has the ability and authority to post adjustments to customer accounts without obtaining independent approval. Adjustments during the year ended December 31, 2009, totaled approximately \$2,600.

Proper authorization and adequate documentation, which fully explains the reason for the adjustments to customer accounts, are necessary to ensure only proper accounts and amounts are adjusted and to reduce the risk of theft, loss, or misuse of funds.

5.6 Delinquent accounts

Some village ordinances are not enforced, and the village has not established formal written policies and procedures related to delayed sewer payments. As of August 16, 2010, 33 of 54 sewer customers had delinquent billings totaling over \$10,000.

- Penalty charges have not been assessed as required by village ordinance and BPW rules and regulations. Village Ordinance 05-09 states payments not received within 30 days after billing shall be delinquent, and a late payment penalty of 10 percent will be added to each delinquent bill for each 30 days of delinquency. According to the current BPW Vice Chairwoman, customers are no longer assessed penalties and some penalties have been removed from accounts.
- Sewer service is not shutoff when accounts are delinquent. Village Ordinance 05-09 provides when any bill is 30 days in default, sewer service to such premises shall be discontinued until the bill is paid. Current Village Board Chairman Jim Daily, current BPW Chairman Kevin McCoy, and several residents had delinquent sewer accounts not paid within the required time period; however, the service was not disconnected. According to the current BPW Vice Chairwoman,



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businesses are allowed to delay payments during the winter months and make those payments up in the summer months when tourism increases; however, this is not specified in a village ordinance.

Section 250.234, RSMo, provides that "any user charges, connection fees, or other charges levied by any city, town or village shall be due at such time or times as specified by the governing board of the city, town or village and shall, if not paid by the due date, become delinquent and shall bear interest from the date of delinquency until paid."

Allowing customers to receive sewer service without paying reduces the incentive to make payments and may result in a loss of revenue to the village. Additionally, the village's failure to disconnect service for elected and appointed officials in accordance with local ordinance creates the appearance these officials may have benefited improperly. The members of the village Board and the BPW serve the village in a fiduciary capacity. Failure to pay their own sewer accounts could harm public confidence and reduce their effectiveness.

To ensure all delinquent utility accounts are handled equitably and in a consistent manner and payment plans are properly approved, an ordinance should be established for delay of sewer payments for businesses during the off season and procedures should be implemented to comply with village ordinances.

Recommendations

The Village of Indian Point Board of Trustees:

- 5.1 Ensure the BPW segregates accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
- 5.2 Ensure the BPW records and deposits monies timely, adequately secures monies prior to deposit, and restrictively endorses checks and money orders immediately upon receipt.
- 5.3 Ensure the BPW accounts for the numerical sequence of receipt slips, and reconciles receipt amounts posted to customer accounts to receipt amounts posted in the accounting system.
- 5.4 Ensure the BPW performs bank reconciliations timely.
- 5.5 Ensure the BPW requires someone independent of the sewer system review and approve all adjustments and ensure adequate documentation is maintained of such adjustments.
- 5.6 Ensure the BPW assesses penalties and properly follows shutoff procedures in accordance with village ordinance and BPW rules and



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regulations. Additionally, if business customers are allowed to delay payments during winter months, this payment policy should be in writing and approved by the Board of Trustees.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 5.1 *A new clerk was recently hired for the BPW and the BPW is now providing adequate oversight.*
- 5.2 *The new BPW Clerk works two days per week and has taken steps to implement these recommendations. Monies are now being handled in a timely manner.*
- 5.3 *The BPW has converted all sewer accounts to the financial accounting system. All accounts have been reviewed for accuracy.*
- 5.4 *The BPW has now performed all bank reconciliations and with the employment of the BPW clerk, bank reconciliations are up to date.*
- 5.5 *Adjustments will be reviewed and approved by the BPW.*
- 5.6 *We are currently working on various options regarding shutoff policies. We plan to address all these issues in our new user charge ordinance after the new rates are calculated by the engineer and approved by the BPW and the Board of Trustees.*

6. Payroll Controls and Procedures

Procedures over timesheets, leave records, personnel files, and additional compensation need improvement.

6.1 Timesheets

Timesheets for village employees are not always signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval.

To substantiate payroll disbursements, timesheets should be prepared and signed by all village employees and approved by a supervisor.

6.2 Leave records

Adequate records of vacation, sick, and compensatory leave are not maintained. The former Village Superintendent was paid \$2,019 for unused vacation time and \$252 for compensatory time; however, records were not available to substantiate the payment. Further, three different leave records were maintained for another former employee, and it is unclear which copy was correct.



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Adequate leave records are necessary to ensure payments and balances are accurately calculated.

6.3 Personnel files

Village personnel files are incomplete. The personnel files do not contain documentation of the Board's authorization for the hiring of employees, the pay rates at which employees were hired, and any subsequent changes in pay rates. Currently, the village relies on prior meeting minutes to document these items. Complete personnel files should be maintained for all employees to provide documentation of personnel actions.

6.4 Additional pay

The Board of Trustees approved and paid Christmas bonuses of \$500 to the Chief of Police and \$300 to a police officer in December 2009. In addition, the Chief of Police was paid \$1,000 for duties performed as the interim village administrator. The payments were not properly reported on form W-2 or subjected to payroll tax withholdings, and no documentation of how the \$1,000 was determined was maintained.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." Further, to ensure proper accountability over payroll transactions, supporting documentation should be maintained, and to comply with the Internal Revenue Code, all employee compensation should be properly reported and subjected to payroll tax withholdings.

Recommendations

The Village of Indian Point Board of Trustees:

- 6.1 Ensure timesheets are prepared and signed by both the employee and the employee's supervisor.
- 6.2 Ensure adequate leave records are maintained.
- 6.3 Ensure complete personnel files are maintained for all employees.
- 6.4 Discontinue paying bonuses to employees, maintain documentation to support all payroll transactions, and ensure all compensation is properly reported and subjected to payroll tax withholdings.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 6.1 *We have implemented this recommendation.*
- 6.2 *We have implemented this recommendation.*



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6.3 *We will implement this recommendation.*

6.4 *We are no longer providing bonuses to employees and we are complying with IRS regulations.*

7. Audits, Budgets, and Financial Statements

The village did not obtain an annual audit, properly prepare and amend budgets, or comply with state law regarding financial statement reporting.

7.1 Annual audits

The village has not taken steps to obtain an annual audit of the sewer system for 2009. Section 250.150, RSMo, requires the village to obtain annual audits of the sewer system. Further, Ordinance Number 05-17 authorizing the revenue bonds for the sewer system requires annual audits of the village to be completed within 180 days of the end of the village's fiscal year. In addition to being required by state law and village ordinance, annual audits of village funds help ensure financial transactions are properly recorded.

7.2 Budgets

Budgeting procedures for the village and BPW are inadequate. Budgets for the village and BPW for 2009 and 2010 did not include all information required by law. Budgets did not include a budget message, actual receipts and disbursements for the 2 preceding budget years, or estimates of ending available resources.

In addition, differences were noted between the 2009 actual expenses reported on the village's 2010 budget and the actual expenses reported on profit and loss reports. Expenses reported on the budget document were \$49,340 more than the amount reported on the profit and loss report for the village. Further, the 2009 actual expenses reported on the BPW 2010 budget were not calculated correctly and were understated by \$67,335. Also, the BPW budgeted a deficit balance of approximately \$99,000 for 2010.

A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and funding expectations for each area of village operations and provide a means to effectively monitor actual receipts and disbursements. Section 67.010, RSMo, requires the preparation of an annual budget with specific information, and Section 67.080, RSMo, provides no expenditure of public monies shall be made unless it is authorized in the budget. Deficit budgeting is prohibited by Section 67.010, RSMo, and Article VI, Section 26(a) of the Missouri Constitution.

7.3 Financial statements

The village has not posted or published semiannual financial statements as required by state law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the village.



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Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

Recommendations

The Village of Indian Point Board of Trustees:

- 7.1 Obtain annual audits of the sewer system as required.
- 7.2 Prepare annual budgets that include all information required by state law and discontinue appropriating disbursements in excess of estimated available resources.
- 7.3 Publish or post semiannual financial statements as required by state law.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 7.1 *We recently solicited bids for auditing services, and have contracted with an auditor to perform the audits for 2009 and 2010.*
- 7.2 *We will ensure that future budgets comply with state law and approval is properly documented.*
- 7.3 *As a result of hiring a new village clerk, the village newsletter is now being printed. The village's December financial statement was in the newsletter mailed to all residents and posted in the Municipal Center, and copies were available to the public at our monthly board meeting.*

8. Meetings and Records

Meeting minutes need improvement, and the village did not comply with state law when members of the Board voted by email.

8.1 Meeting minutes

Several concerns were identified regarding minutes maintained for the Board of Trustees and BPW meetings.

- Minutes for the village Board of Trustees and the BPW are not maintained in an orderly manner or in a centralized location. Some minutes were maintained in a notebook, other minutes were maintained electronically, and some minutes were found in email form. As a result, personnel had difficulty locating some minutes, and it is unclear whether some of these minutes were approved.



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- Minutes for the village Board of Trustees and the BPW were not maintained for some open and closed meetings. No meeting minutes were available for a public hearing held by the village Board of Trustees on January 20, 2009, and meetings held in April and May 2009. Also, no meeting minutes were available for closed meetings held on January 13, July 14, and November 10, 2009, and April 15, 2010. Further, closed meeting minutes for the BPW for October 12, 2009, and April 27, 2010, were not maintained.
- Open meeting minutes for the village Board of Trustees do not always document the reasons for closing the meeting or the specific section of law that allows for the closed meeting. Further, minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law including discussions concerning property annexations, the authority of the building committee, and the behavior of the Board of Trustees.
- There was no evidence roll call votes were taken during open meetings to close meetings of the village Board of Trustees and the BPW. Several instances were also noted where open minutes would simply indicate a motion passed but not provide a record of the vote.
- Final copies of minutes were not available for BPW meetings for the months of October 2009 through January 2010. The draft minutes appeared to resemble the meeting agenda and did not provide adequate details, such as motions or votes.
- Minutes of the Municipal Center Task Force were not filed with the village. Board of Trustee meeting minutes indicate these minutes were maintained by a member of the task force, but the minutes are not on file with the village.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and requires records of votes, including roll call votes before closing a meeting. Additionally, the Sunshine Law requires open minutes to document the reason for closing a meeting and limits discussions in closed meetings to only those specifically allowed by law. Further, to ensure all meeting minutes are properly maintained, minutes should be kept in an orderly manner and minutes of the Municipal Center Task Force should be filed with the Village Board of Trustees.

8.2 Email vote

The village did not comply with state law when members of the Board of Trustees voted by email for a tax board nomination without a quorum of Board members physically present during the vote. The Village Board Chairman indicated the Board occasionally conducts votes by email.



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Section 610.015, RSMo, requires a quorum of Board members be physically present at the meeting location before any other members are allowed to participate by email.

Recommendations

The Village of Indian Point Board of Trustees:

- 8.1 Ensure Board of Trustee and BPW minutes are maintained for all meetings in an orderly manner, and the village meetings and minutes comply with state law.
- 8.2 Comply with state law regarding email votes.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

- 8.1 *We have made changes to how minutes are maintained. We will comply with state law and all recommendations. Task force minutes are now filed at the Municipal Center.*
- 8.2 *We will comply with state law.*

9. Elected Officials

A village board member's actions resulted in nepotism, and a candidate for village trustee was not qualified to run for office.

9.1 Nepotism

According to meeting minutes of the Board of Trustees, in October 2009, Trustee Canaday voted to appoint his wife to the BPW and voted for her to hold the office of BPW Vice Chairwoman.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences which result by appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no village official has benefited improperly.

9.2 Qualifications to hold village office

The village has not established adequate procedures to ensure all candidates for the position of trustee are qualified to run for office. During the April 2010 election, village Board Chairman Daily was listed on the ballot when his sewer fees for his business were in arrears. December 2009 and January 2010, sewer fees totaling \$1,147 were owed.

According to the April 2, 2009, meeting minutes, the BPW Board Vice Chairman recommended the village attorney be contacted regarding whether an individual can serve on boards, committees, or commissions for the



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village if their accounts are in arrears. We noted no follow up action taken on this issue.

Section 115.346, RSMo, provides that "no person shall be certified as a candidate for municipal office, nor shall such person's name appear on the ballot as a candidate for such office, who shall be in arrears for any unpaid city taxes or municipal user fees on the last day to file a declaration of candidacy for the office."

Recommendations

The Village of Indian Point Board of Trustees:

- 9.1 Ensure Board members abstain from voting when a relative's appointment is involved, and consult legal counsel regarding the nepotism issue.
- 9.2 Ensure candidates for village office possess the statutory qualifications for holding office. The Board of Trustees should also consider seeking legal advice from the village attorney regarding the situation.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We will comply.

10. Capital Assets

The village does not maintain records for its capital assets including land, buildings, equipment, and other property. Also, property is not tagged for specific identification, and an annual physical inventory is not performed.

Along with providing a basis for determining proper insurance coverage, adequate capital asset records are necessary to secure better internal controls and safeguard village assets that are susceptible to loss, theft, or misuse. A detailed capital asset list should include all pertinent information for each asset, including description, cost, acquisition date, identification number, and location; date and method of disposition; and accumulated depreciation, if applicable.

Recommendation

The Village of Indian Point Board of Trustees ensure adequate capital asset records are maintained, assets are tagged as owned by the village, annual physical inventories are performed, and records are periodically compared to the village's insurance coverage.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We will implement this recommendation.

Village of Indian Point

Organization and Statistical Information

The Village of Indian Point is located in Stone County. The village was incorporated in 1989. The village employed two full time employees at December 31, 2009.

The village provides law enforcement services and maintains village roads. In addition, in 2004, the Board of Trustees established a Board of Public Works (BPW) to operate a sewer system.

Board of Trustees

The village government consists of a chairman and four-member board. The members are elected for 2-year terms. The members of the Board of Trustees, at December 31, 2009, are identified below. Members of the Board of Trustees are not compensated.

Dave Rawson, Chairman
Tim Stout, Vice Chairman
Dave Canaday, Secretary/Treasurer
Larry Stenzel, Member
Greg Fier, Member

Board of Public Works

The BPW consists of a chairman and three-member board. The members are appointed by the Board of Trustees and serve 4-year terms. The members of the BPW at December 31, 2009, are identified below. Members of the BPW are not compensated.

Jim Daily, Chairman
Bill Turner, Vice Chairman
Sheila Canaday, Secretary/Treasurer

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Village of Indian Point did not receive any federal stimulus monies during the year ended December 31, 2009.

Financial Activity

A summary of the village's financial activity for the year ended December 31, 2009, follows:

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Year Ended December 31, 2009

RECEIPTS	General Fund	Road Fund*	Capital Project Fund	BPW Sewer Operating Fund	BPW Sewer Bond & Grant Funds	Total
Sales tax	\$ 161,899	0	80,949	0	0	242,848
Franchise tax	10,324	0	0	0	0	10,324
Sewer user fees	0	0	0	64,543	0	64,543
Interest	3,249	0	12,389	29	56	15,722
Motor fuel and vehicle fees	0	16,251	0	0	0	16,251
Lease proceeds	0	0	0	170,031	0	170,031
Developer contribution	0	0	0	296,950	0	296,950
Other income	10,020	13,206	0	151	0	23,377
Transfers in	0	0	0	247,057	44,391	291,448
Total Receipts	185,492	29,457	93,338	778,761	44,447	1,131,494
DISBURSEMENTS						
Payroll	100,882	0	0	0	0	100,882
Office supplies	33,294	0	0	0	0	33,294
Professional services	21,398	0	0	0	0	21,398
Vehicle and fuel	5,894	0	0	0	0	5,894
Law enforcement	1,212	0	0	0	0	1,212
Planning and zoning	1,043	0	0	0	0	1,043
Roads	0	41,219	0	0	0	41,219
Capital	0	0	57,385	0	0	57,385
Sewer	0	0	0	699,074	312,660	1,011,734
Other	670	0	534	0	0	1,204
Transfers out	10,131	0	0	44,391	236,926	291,448
Total Disbursements	174,525	41,219	57,919	743,465	549,586	1,566,714
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	10,967	(11,762)	35,418	35,296	(505,139)	(435,220)
CASH, JANUARY 1, 2009	318,974	0	442,295	1,629	539,925	1,302,823
CASH, DECEMBER 31, 2009	\$ 329,941	(11,762)	477,713	36,925	34,786	867,603

Note: The Capital Project Fund cash balance includes certificate of participation proceeds used in 2010 to build the Municipal Center. The BPW Sewer Bond & Grant Funds include the special reserve, rebate, debt service, construction, and grant bank accounts.

*According to village officials, a transfer will be made from the General Fund to the Road Fund to eliminate the negative fund balance after the village financial statement audit is performed.