

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

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



FILED
05/13/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Rotzien	01-01-04 to 12-31-11
President of the Town Council	Michael Albert	01-01-06 to 12-31-08
Superintendent of Utilities	Bart Frank	01-01-06 to 12-31-08
Town Marshall	James Gunning	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WESTVILLE, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Westville (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

March 17, 2008

TOWN OF WESTVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 299,411	\$ 606,399	\$ 471,619	\$ 434,191
Motor Vehicle Highway	217,006	200,918	147,878	270,046
Local Road and Street	286,815	46,733	66,876	266,672
Park and Recreation	67,671	7,692	20,250	55,113
Law Enforcement Continuing Education	18,447	1,930	7,186	13,191
Trash Collection	84,509	34,580	35,244	83,845
Police Donation	100	100	-	200
Protect Our Child Donation	2,886	-	-	2,886
Neva Kline Donation	23,129	22,249	21,388	23,990
Major Moves	-	2,228,374	1,106,991	1,121,383
Cumulative Capital Improvement	8,272	18,616	17,095	9,793
Cumulative Capital Development	34,444	15,924	16,932	33,436
County Economic Development Income Tax (CEDIT)	134,153	37,959	15,000	157,112
Proprietary Funds:				
Water Utility - Operating	344,500	496,114	436,346	404,268
Water Utility - Bond and Interest	52,874	119,737	118,025	54,586
Water Utility - Maintenance	77,996	21,036	-	99,032
Water Utility - Customer Deposit	15,846	9,766	4,220	21,392
Water Utility - Debt Service	119,535	-	-	119,535
Water Utility - Construction	12	-	12	-
Wastewater Utility - Operating	653,413	467,423	1,047,094	73,742
Wastewater Utility - Maintenance	25,471	19,924	8,514	36,881
Wastewater Utility - Customer Deposit	16,339	9,620	4,209	21,750
Fiduciary Funds:				
Levy Excess	44,762	-	44,762	-
Payroll	-	461,821	461,821	-
Totals	<u>\$ 2,527,591</u>	<u>\$ 4,826,915</u>	<u>\$ 4,051,462</u>	<u>\$ 3,303,044</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 434,191	\$ 603,541	\$ 459,803	\$ 577,929
Motor Vehicle Highway	270,046	190,659	151,556	309,149
Local Road and Street	266,672	47,332	86,227	227,777
Park and Recreation	55,113	4,700	24,334	35,479
Law Enforcement Continuing Education	13,191	1,543	3,575	11,159
Trash Collection	83,845	40,408	39,057	85,196
Police Donation	200	350	-	550
Protect Our Child Donation	2,886	-	-	2,886
Neva Kline Donation	23,990	39,092	49,072	14,010
Major Moves	1,121,383	3,378,083	3,320,812	1,178,654
Cumulative Capital Improvement	9,793	18,303	15,000	13,096
Cumulative Capital Development	33,436	13,753	22,600	24,589
County Economic Development Income Tax (CEDIT)	157,112	56,083	18,000	195,195
Proprietary Funds:				
Water Utility - Operating	404,268	604,838	541,806	467,300
Water Utility - Bond and Interest	54,586	119,758	117,950	56,394
Water Utility - Maintenance	99,032	26,156	68,895	56,293
Water Utility - Customer Deposit	21,392	12,235	7,258	26,369
Water Utility - Debt Service	119,535	-	-	119,535
Wastewater Utility - Operating	73,742	472,004	422,249	123,497
Wastewater Utility - Maintenance	36,881	21,026	-	57,907
Wastewater Utility - Customer Deposit	21,750	12,242	7,185	26,807
Fiduciary Fund:				
Payroll	-	467,586	467,586	-
Totals	<u>\$ 3,303,044</u>	<u>\$ 6,129,692</u>	<u>\$ 5,822,965</u>	<u>\$ 3,609,771</u>

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

TOWN OF WESTVILLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, streets, culture and recreation, planning and zoning, general administrative service, and water and wastewater.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2007. Significant delays in the reassessment process have resulted in delays in tax settlement in 2007. Final tax settlements for the 2006 payable in 2007 taxes were received February 29, 2008.

TOWN OF WESTVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Funds:		
Notes and loans payable:		
2005 Street Department Ford Truck	\$ 16,016	\$ 5,767
2006 Police Ford Crown Victoria	<u>11,976</u>	<u>-</u>
Total governmental funds debt	<u>\$ 27,992</u>	<u>\$ 5,767</u>
Proprietary Funds:		
Water Utility		
Notes and loans payable:		
2005 1/2 of Chevy Truck	\$ 7,753	\$ 2,821
Revenue bonds:		
2001 Improvements to the Utility	<u>1,908,000</u>	<u>118,800</u>
Total water utility debt	<u>1,915,753</u>	<u>121,621</u>
Wastewater Utility		
Notes and loans payable:		
2005 1/2 of Chevy Truck	7,753	2,821
1982 FmHA Wastewater Loan	<u>70,000</u>	<u>6,500</u>
Total wastewater utility debt	<u>77,753</u>	<u>9,321</u>
Total proprietary funds debt	<u>\$ 1,993,506</u>	<u>\$ 130,942</u>

TOWN OF WESTVILLE
EXAMINATION RESULTS AND COMMENTS

POLICE DEPARTMENT RECEIPTS

The Police Department collects fees for accident and case reports, gun permits, and vehicle identification number checks. The following discrepancies were noted:

1. Collections were remitted to the Clerk-Treasurer for deposit up to 121 days from the date of receipt.
2. The composition of the cash and check received did not agree to the cash and check remitted for deposit to the Clerk-Treasurer.
3. Receipts were listed twice on the report of collections or for the wrong amount, causing the collections to be either overstated or understated.

All collections made by any department or person connected with a city or town shall be turned in to the Clerk-Treasurer or Controller at least weekly. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 6)

Public funds deposited should be deposited in the same form in which they were received. This simply means all daily receipts received by the political subdivision should be deposited intact. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

LATE CHARGES

The Town incurred, and subsequently paid, late charges of \$16.50 each for delinquent payments to First National Bank for a loan on a Street Department truck due June 5, 2006, paid July 7, 2006, and a Utility truck due January 1, 2007, paid January 23, 2007.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK FEES

The following fees were not approved by the Town Council:

1. Park shelter rental,
2. Park shelter deposits,
3. Baseball field rental,

TOWN OF WESTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

4. Baseball field deposits,
5. Softball league fees.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

As stated in prior Reports B16542, B22582, and B27413, the Town records capital asset additions for the Street and Police Departments, but disposals are not being recorded. Records are not maintained for other departments of the Town. In addition, historical cost values for Town property have not been determined.

The Water and Wastewater Utilities do not maintain sufficient detailed records of capital assets for their Utility Plant in Service accounts. Land or water lines were not included as well as historical values of all the assets listed. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ENGINEERING SERVICE CONTRACT

As stated in the prior Report B27413, the Town is paying for engineering services without a contract. Amounts paid for 2006 and 2007 were \$43,738 and \$40,499, respectively.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF WESTVILLE
EXIT CONFERENCE

The contents of this report were discussed on March 17, 2008, with Carol Rotzien, Clerk-Treasurer; and Michael Albert, President of the Town Council. The officials concurred with our findings.