

B37458

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

EXAMINATION REPORT  
OF  
TOWN OF NORTH WEBSTER  
KOSCIUSKO COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
08/24/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Alice E. Luce	01-01-04 to 12-31-11
President of the Town Council	Jon W. Sroufe	01-01-07 to 12-31-10
Superintendent of Wastewater Utility	Severn Trent, Inc.	01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NORTH WEBSTER, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of the Town of North Webster (Town), for the period of January 1, 2007 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2007, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 27, 2010

TOWN OF NORTH WEBSTER  
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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 482,695	\$ 458,122	\$ 428,415	\$ 512,402
Motor Vehicle Highway	108,094	89,791	93,657	104,228
Local Road and Street	27,531	11,335	-	38,866
Park and Recreation	7,004	8,724	8,839	6,889
Operation Pull Over	1,009	1,679	2,688	-
Law Enforcement Continuing Education	5,508	991	549	5,950
State Police Grant	2,727	-	2,727	-
Riverboat Fund	6,714	6,728	-	13,442
Garbage Collection	16,192	33,391	37,813	11,770
Rainy Day	18,441	19,695	4,474	33,662
Park/Beach Donation	414	-	-	414
Police Donation	7,599	26	-	7,625
Police Forfeiture	1,700	-	-	1,700
Police Grant DUI Fund	-	1,717	1,717	-
Cumulative Capital Improvement	63,367	3,748	8,398	58,717
Cumulative Capital Development	21,234	16,752	28,000	9,986
CEDIT	251,136	68,305	16,243	303,198
Proprietary Funds:				
Wastewater Utility - Operating	208,862	707,368	745,277	170,953
Wastewater Utility - Bond and Interest	-	179,132	179,132	-
Wastewater Utility - Debt Service	55,546	210,988	60,945	205,589
Wastewater Utility - Reserve Investment	191,084	-	191,084	-
Wastewater Utility - Construction	138,759	-	426	138,333
Wastewater Utility - Improvement	50,594	55,546	-	106,140
Fiduciary Fund:				
Payroll	3,392	296,981	293,198	7,175
Totals	<u>\$ 1,669,602</u>	<u>\$ 2,171,019</u>	<u>\$ 2,103,582</u>	<u>\$ 1,737,039</u>

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

TOWN OF NORTH WEBSTER  
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, 2007, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 512,402	\$ 365,355	\$ 465,800	\$ 411,957
Motor Vehicle Highway	104,228	56,883	28,691	132,420
Local Road and Street	38,866	10,586	-	49,452
Park and Recreation	6,889	4,975	7,926	3,938
Operation Pull Over	-	1,474	1,474	-
Law Enforcement Continuing Education	5,950	836	1,217	5,569
Garbage Collection	11,770	54,816	47,909	18,677
Riverboat Fund	13,442	6,694	-	20,136
Rainy Day	33,662	73,750	9,818	97,594
Park/Beach Donation	414	-	-	414
Police Donation	7,625	-	-	7,625
Police Forfeiture	1,700	1	-	1,701
Police Grant DUI Fund	-	1,414	1,414	-
Cumulative Capital Improvement	58,717	3,470	7,843	54,344
Cumulative Capital Development	9,986	10,355	-	20,341
CEDIT	303,198	69,346	-	372,544
Proprietary Funds:				
Wastewater Utility - Operating	170,953	787,837	818,844	139,946
Wastewater Utility - Bond and Interest	-	175,133	175,133	-
Wastewater Utility - Debt Service	205,589	-	180,800	24,789
Wastewater Utility - Reserve Investment	-	188,888	-	188,888
Wastewater Utility - Construction	138,333	-	10,036	128,297
Wastewater Utility - Improvement	106,140	-	-	106,140
Fiduciary Fund:				
Payroll	7,175	379,148	376,369	9,954
Totals	<u>\$ 1,737,039</u>	<u>\$ 2,190,961</u>	<u>\$ 2,133,274</u>	<u>\$ 1,794,726</u>

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

TOWN OF NORTH WEBSTER  
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, 2007, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 411,957	\$ 607,828	\$ 458,376	\$ 561,409
Motor Vehicle Highway	132,420	95,749	96,073	132,096
Local Road and Street	49,452	9,956	4,740	54,668
Park and Recreation	3,938	8,200	11,425	713
Operation Pull Over	-	2,709	2,709	-
Law Enforcement Continuing Education	5,569	2,532	716	7,385
Local Government Grant No. 1 Aggressive Driving	-	1,085	1,085	-
Garbage Collection	18,677	56,800	49,491	25,986
Riverboat	20,136	6,677	-	26,813
Rainy Day	97,594	5,393	19,442	83,545
Park/Beach Donation	414	-	-	414
Police Donation	7,625	68	40	7,653
Police Forfeiture	1,701	3	-	1,704
Police Grant DUI Fund	-	1,906	1,906	-
Cumulative Capital Improvement	54,344	3,271	13,305	44,310
Cumulative Capital Development	20,341	20,303	-	40,644
CEDIT	372,544	88,287	-	460,831
Proprietary Funds:				
Wastewater Utility - Operating	139,946	769,786	872,663	37,069
Wastewater Utility - Bond and Interest	-	171,132	171,132	-
Wastewater Utility - Debt Service	24,789	180,800	-	205,589
Wastewater Utility - Reserve Investment	188,888	5,861	194,749	-
Wastewater Utility - Construction	128,297	5,622	-	133,919
Wastewater Utility - Improvement	106,140	13,950	-	120,090
Fiduciary Fund:				
Payroll	9,954	381,376	386,721	4,609
Totals	<u>\$ 1,794,726</u>	<u>\$ 2,439,294</u>	<u>\$ 2,284,573</u>	<u>\$ 1,949,447</u>

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

TOWN OF NORTH WEBSTER  
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 (police), highways and streets, culture and recreation, public improvements, general administrative services, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

TOWN OF NORTH WEBSTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

TOWN OF NORTH WEBSTER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 23,543
Infrastructure	2,923,710
Buildings	193,208
Machinery and equipment	<u>289,100</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 3,429,561</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 97,418
Buildings	199,148
Improvements other than buildings	2,458,156
Machinery and equipment	<u>353,892</u>
 Total business-type activities capital assets	 <u>\$ 3,108,614</u>

TOWN OF NORTH WEBSTER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Wastewater Refunding Revenue Bonds of 2003	<u>\$ 1,495,000</u>	<u>\$ 177,032</u>

TOWN OF NORTH WEBSTER  
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2010, with Alice E. Luce, Clerk-Treasurer, and Jon W. Sroufe, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.