

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

EXAMINATION REPORT
OF
TOWN OF LACROSSE
LAPORTE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
11/09/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Judith V. Kasten

01-01-07 to 12-31-11

President of the
Town Council

Jack Turner, Sr.
Robert Wheeler
Jack Turner, Sr.

01-01-07 to 12-31-07
01-01-08 to 12-31-09
01-01-10 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 LACROSSE, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of LaCrosse (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

August 17, 2010

TOWN OF LACROSSE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 71,259	\$ 170,339	\$ 188,097	\$ 53,501
Motor Vehicle Highway	20,631	20,902	13,665	27,868
Local Road and Street	7,951	7,105	10,230	4,826
Riverboat Gaming	55,323	36,920	62,242	30,001
Cumulative Capital Improvement	14,953	1,970	-	16,923
Cumulative Capital Development	17,189	635	-	17,824
County Economic Development Income Tax	35,422	20,969	35,000	21,391
Local Major Moves Construction	-	125,981	-	125,981
OCRA - Library Grant	-	26,000	26,000	-
Proprietary Funds:				
Water Utility - Operating	9,487	68,272	74,601	3,158
Water Utility - Bond and Interest	23,752	24,000	31,150	16,602
Water Utility - Depreciation	11,703	6,000	5,911	11,792
Water Utility - Customer Deposit	10,961	1,200	25	12,136
Water Utility - Reserve Surplus	22,700	2,400	8,000	17,100
Wastewater Utility - Operating	6,048	116,863	120,568	2,343
Wastewater Utility - Bond and Interest	11,070	156,000	156,600	10,470
Wastewater Utility - Depreciation	15,075	3,600	7,000	11,675
Wastewater Utility - Reserve Surplus	143,420	-	-	143,420
Fiduciary Funds:				
Levy Excess	247	-	247	-
Payroll	-	45,672	45,672	-
Totals	\$ 477,191	\$ 834,828	\$ 785,008	\$ 527,011
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 53,501	\$ 163,490	\$ 199,532	\$ 17,459
Motor Vehicle Highway	27,868	15,823	15,765	27,926
Local Road and Street	4,826	6,542	1,332	10,036
Riverboat Gaming	30,001	35,864	47,709	18,156
Cumulative Capital Improvement	16,923	1,824	-	18,747
Cumulative Capital Development	17,824	2,457	-	20,281
County Economic Development Income Tax	21,391	21,398	35,000	7,789
Local Major Moves Construction	125,981	4,605	-	130,586
Rainy Day	-	1,194	-	1,194
Proprietary Funds:				
Water Utility - Operating	3,158	96,373	97,145	2,386
Water Utility - Bond and Interest	16,602	24,000	30,143	10,459
Water Utility - Depreciation	11,792	6,694	15,367	3,119
Water Utility - Customer Deposit	12,136	1,701	450	13,387
Water Utility - Reserve Surplus	17,100	2,400	-	19,500
Wastewater Utility - Operating	2,343	272,384	272,467	2,260
Wastewater Utility - Bond and Interest	10,470	143,000	144,180	9,290
Wastewater Utility - Depreciation	11,675	5,100	5,947	10,828
Wastewater Utility - Reserve Surplus	143,420	-	-	143,420
Fiduciary Fund:				
Payroll	-	44,979	44,979	-
Totals	\$ 527,011	\$ 849,828	\$ 910,016	\$ 466,823
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 17,459	\$ 195,245	\$ 151,856	\$ 60,848
Motor Vehicle Highway	27,926	15,553	15,466	28,013
Local Road and Street	10,036	6,206	2,456	13,786
Riverboat Gaming	18,156	45,874	46,136	17,894
Cumulative Capital Improvement	18,747	1,721	-	20,468
Cumulative Capital Development	20,281	1,886	20,281	1,886
County Economic Development Income Tax	7,789	23,072	23,440	7,421
Local Major Moves Construction	130,586	-	23,510	107,076
Rainy Day	1,194	-	-	1,194
State Grant Capital Library Grant	-	499,946	499,946	-
Proprietary Funds:				
Water Utility - Operating	2,386	94,546	75,562	21,370
Water Utility - Bond and Interest	10,459	-	8,000	2,459
Water Utility - Depreciation	3,119	-	997	2,122
Water Utility - Customer Deposit	13,387	1,700	425	14,662
Water Utility - Reserve Surplus	19,500	-	-	19,500
Wastewater Utility - Operating	2,260	244,564	201,992	44,832
Wastewater Utility - Bond and Interest	9,290	135,720	144,720	290
Wastewater Utility - Depreciation	10,828	-	1,203	9,625
Wastewater Utility - Reserve Surplus	143,420	-	-	143,420
Fiduciary Fund:				
Payroll	-	122,299	122,299	-
Totals	\$ 466,823	\$ 1,388,332	\$ 1,338,289	\$ 516,866

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

TOWN OF LACROSSE
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, health and social services, culture and recreation, and general administrative services.

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.

TOWN OF LACROSSE
NOTES TO FINANCIAL INFORMATION
(Continued)

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

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each year the County sends out various forms of provisional bills with a notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Town. It is undeterminable how much property tax collections the Town will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Town received their distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June 2010 and are due in two installments, July 9, 2010 and November 10, 2010.

TOWN OF LACROSSE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 14,607
Buildings	346,880
Improvements other than buildings	6,268
Machinery and equipment	<u>94,672</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 462,427</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 22,267
Buildings	68,769
Improvements other than buildings	229,749
Machinery and equipment	<u>401,503</u>
Total Water Utility capital assets	<u>722,288</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	53,580
Improvements other than buildings	1,791,027
Machinery and equipment	<u>27,023</u>
Total Wastewater Utility capital assets	<u>1,871,630</u>
Total business-type activities capital assets	<u>\$ 2,593,918</u>

TOWN OF LACROSSE
 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:		
Water Utility:		
Revenue bonds:		
1978 Water Improvement	\$ 55,000	\$ 8,750
Wastewater Utility:		
State Revolving Loan		
Construction of a wastewater treatment system	810,000	8,100
Total business-type activities debt	<u>\$ 865,000</u>	<u>\$ 16,850</u>

TOWN OF LACROSSE
EXAMINATION RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the utility cash ledger.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT WASTEWATER ACCOUNTS

Delinquent Wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
 - (B) A description of the premises, as shown by the records of the county auditor; and
 - (C) The amount of the delinquent fees, together with the penalty; or
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

TOWN OF LACROSSE
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2010, with Jack Turner, Sr., President of the Town Council; and Judith V. Kasten, Clerk-Treasurer. The officials concurred with our findings.