

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

AUDIT REPORT

OF

TOWN OF WEST COLLEGE CORNER

UNION COUNTY, INDIANA

January 1, 2009 to December 31, 2010



FILED
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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith Burke Starr	01-01-08 to 12-31-11
President of the Town Council	Carolyn Portwood	01-01-09 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF WEST COLLEGE CORNER, UNION COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of West College Corner (Town), for the years ended December 31, 2009 and 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 7, 2011, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

The Town's response to the Audit Result(s) and Comment(s) identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 7, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF WEST COLLEGE CORNER, UNION COUNTY, INDIANA

We have audited the financial statements of the Town of West College Corner (Town), for the years ended December 31, 2009 and 2010, and have issued our report thereon dated July 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2010-01 to be a material weakness.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 7, 2011

FINANCIAL STATEMENT(S)

TOWN OF WEST COLLEGE CORNER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 70,229	\$ 74,630	\$ 75,825	\$ 69,034
Motor Vehicle Highway	49,201	67,373	53,413	63,161
Local Road And Street	6,217	2,551	-	8,768
Riverboat	18,393	3,968	-	22,361
Rainy Day	7,902	6,266	-	14,168
Cumulative Capital Improvement	30,169	1,944	-	32,113
Cumulative Capital Development	41,152	3,450	-	44,602
Economic Development Income Tax	82,257	2,088	-	84,345
Payroll	-	53,575	53,575	-
Wastewater Utility Operating	46,089	256,754	254,660	48,183
Wastewater Bond And Interest	59,046	106,263	70,961	94,348
Wastewater Utility Depreciation	2,968	8,904	-	11,872
State Revolving Bond And Interest	3,288	9,864	9,966	3,186
Wastewater Debt Reserve	19,498	9,322	-	28,820
State Revolving Debt Reserve	9,995	-	-	9,995
Wastewater Utility Other #11	2,880	5,760	8,640	-
Wastewater Utility-Sewer Project Grant	26,514	809,224	810,066	25,672
Totals	<u>\$ 475,798</u>	<u>\$ 1,421,936</u>	<u>\$ 1,337,106</u>	<u>\$ 560,628</u>

The notes to the financial statement(s) are an integral part of this statement.

TOWN OF WEST COLLEGE CORNER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 69,034	\$ 72,550	\$ 65,355	\$ 76,229
Motor Vehicle Highway	63,161	64,575	48,280	79,456
Riverboat	22,361	3,967	6,000	20,328
Rainy Day	14,168	5,504	-	19,672
Local Road And Street	8,768	2,642	-	11,410
Cumulative Capital Development	44,602	3,317	-	47,919
Economic Development Income Tax	84,345	4,046	9,310	79,081
Cumulative Capital Improvement	32,113	1,856	25,000	8,969
Payroll	-	49,471	49,471	-
Wastewater Utility Operating	48,183	242,634	240,405	50,412
Wastewater Bond And Interest	94,348	110,544	85,270	119,622
Wastewater Depreciation	11,872	8,904	-	20,776
State Revolving Bond Interest	3,186	9,864	9,966	3,084
State Revolving Debt Reserve	9,995	-	9,500	495
Wastewater Debt Reserve	28,820	8,322	30,500	6,642
Wastewater Utility-Sewer Project Grant	25,672	18,028	43,700	-
Totals	<u>\$ 560,628</u>	<u>\$ 606,224</u>	<u>\$ 622,757</u>	<u>\$ 544,095</u>

The notes to the financial statement(s) are an integral part of this statement.

TOWN OF WEST COLLEGE CORNER
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF WEST COLLEGE CORNER
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF WEST COLLEGE CORNER
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by 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 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF WEST COLLEGE CORNER
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. *Deposits and Investments*

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

State statutes authorize 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 5. *Risk Management*

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of West College Corner's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Cumulative Capital Improvement
Cash and investments - beginning	\$ 70,229	\$ 49,201	\$ 6,217	\$ 18,393	\$ 7,902	\$ 30,169
Receipts:						
Taxes	46,670	29,814	-	-	-	-
Intergovernmental	19,317	33,261	2,551	3,968	6,266	1,944
Fines and forfeits	-	73	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8,643	4,225	-	-	-	-
Total receipts	<u>74,630</u>	<u>67,373</u>	<u>2,551</u>	<u>3,968</u>	<u>6,266</u>	<u>1,944</u>
Disbursements:						
Personal services	23,301	21,767	-	-	-	-
Supplies	16,022	8,735	-	-	-	-
Other services and charges	33,943	4,344	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	18,567	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,559	-	-	-	-	-
Total disbursements	<u>75,825</u>	<u>53,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,195)</u>	<u>13,960</u>	<u>2,551</u>	<u>3,968</u>	<u>6,266</u>	<u>1,944</u>
Cash and investments - ending	<u>\$ 69,034</u>	<u>\$ 63,161</u>	<u>\$ 8,768</u>	<u>\$ 22,361</u>	<u>\$ 14,168</u>	<u>\$ 32,113</u>

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Cumulative Capital Development	Economic Development Income Tax	Payroll	Wastewater Utility Operating	Wastewater Bond And Interest	Wastewater Utility Depreciation
Cash and investments - beginning	\$ 41,152	\$ 82,257	\$ -	\$ 46,089	\$ 59,046	\$ 2,968
Receipts:						
Taxes	3,450	-	-	-	-	-
Intergovernmental	-	2,088	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	254,520	-	-
Other receipts	-	-	53,575	2,234	106,263	8,904
Total receipts	<u>3,450</u>	<u>2,088</u>	<u>53,575</u>	<u>256,754</u>	<u>106,263</u>	<u>8,904</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	70,961	-
Capital outlay	-	-	-	34,906	-	-
Utility operating expenses	-	-	-	74,141	-	-
Other disbursements	-	-	53,575	145,613	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>53,575</u>	<u>254,660</u>	<u>70,961</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,450</u>	<u>2,088</u>	<u>-</u>	<u>2,094</u>	<u>35,302</u>	<u>8,904</u>
Cash and investments - ending	<u>\$ 44,602</u>	<u>\$ 84,345</u>	<u>\$ -</u>	<u>\$ 48,183</u>	<u>\$ 94,348</u>	<u>\$ 11,872</u>

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	State Revolving Bond And Interest	Wastewater Debt Reserve	State Revolving Debt Reserve	Wastewater Utility Other #11	Wastewater Utility-Sewer Project Grant	Totals
Cash and investments - beginning	\$ 3,288	\$ 19,498	\$ 9,995	\$ 2,880	\$ 26,514	\$ 475,798
Receipts:						
Taxes	-	-	-	-	-	79,934
Intergovernmental	-	-	-	-	-	69,395
Fines and forfeits	-	-	-	-	-	73
Utility fees	-	-	-	-	-	254,520
Other receipts	9,864	9,322	-	5,760	809,224	1,018,014
Total receipts	9,864	9,322	-	5,760	809,224	1,421,936
Disbursements:						
Personal services	-	-	-	-	-	45,068
Supplies	-	-	-	-	-	24,757
Other services and charges	-	-	-	-	-	38,287
Debt service - principal and interest	-	-	-	-	-	70,961
Capital outlay	9,966	-	-	-	789,915	853,354
Utility operating expenses	-	-	-	-	-	74,141
Other disbursements	-	-	-	8,640	20,151	230,538
Total disbursements	9,966	-	-	8,640	810,066	1,337,106
Excess (deficiency) of receipts over disbursements	(102)	9,322	-	(2,880)	(842)	84,830
Cash and investments - ending	\$ 3,186	\$ 28,820	\$ 9,995	\$ -	\$ 25,672	\$ 560,628

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Riverboat	Rainy Day	Local Road And Street	Cumulative Capital Development
Cash and investments - beginning	\$ 69,034	\$ 63,161	\$ 22,361	\$ 14,168	\$ 8,768	\$ 44,602
Receipts:						
Taxes	47,139	36,335	-	5,504	-	3,297
Intergovernmental	18,441	27,598	3,967	-	2,642	20
Charges for services	1,448	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	5,522	642	-	-	-	-
Total receipts	<u>72,550</u>	<u>64,575</u>	<u>3,967</u>	<u>5,504</u>	<u>2,642</u>	<u>3,317</u>
Disbursements:						
Personal services	20,974	19,687	-	-	-	-
Supplies	4,259	7,561	-	-	-	-
Other services and charges	39,639	3,802	-	-	-	-
Capital outlay	-	17,230	6,000	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	483	-	-	-	-	-
Total disbursements	<u>65,355</u>	<u>48,280</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,195</u>	<u>16,295</u>	<u>(2,033)</u>	<u>5,504</u>	<u>2,642</u>	<u>3,317</u>
Cash and investments - ending	<u>\$ 76,229</u>	<u>\$ 79,456</u>	<u>\$ 20,328</u>	<u>\$ 19,672</u>	<u>\$ 11,410</u>	<u>\$ 47,919</u>

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Economic Development Income Tax	Cumulative Capital Improvement	Payroll	Wastewater Utility Operating	Wastewater Bond And Interest	Wastewater Depreciation
Cash and investments - beginning	\$ 84,345	\$ 32,113	\$ -	\$ 48,183	\$ 94,348	\$ 11,872
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	4,046	1,856	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	242,290	-	-
Other receipts	-	-	49,471	344	110,544	8,904
Total receipts	<u>4,046</u>	<u>1,856</u>	<u>49,471</u>	<u>242,634</u>	<u>110,544</u>	<u>8,904</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	9,310	25,000	-	19,549	-	-
Utility operating expenses	-	-	-	81,846	-	-
Other disbursements	-	-	49,471	139,010	85,270	-
Total disbursements	<u>9,310</u>	<u>25,000</u>	<u>49,471</u>	<u>240,405</u>	<u>85,270</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,264)</u>	<u>(23,144)</u>	<u>-</u>	<u>2,229</u>	<u>25,274</u>	<u>8,904</u>
Cash and investments - ending	<u>\$ 79,081</u>	<u>\$ 8,969</u>	<u>\$ -</u>	<u>\$ 50,412</u>	<u>\$ 119,622</u>	<u>\$ 20,776</u>

TOWN OF WEST COLLEGE CORNER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	State Revolving Bond Interest	State Revolving Debt Reserve	Wastewater Debt Reserve	Wastewater Utility Sewer Project Grant	Totals
Cash and investments - beginning	\$ 3,186	\$ 9,995	\$ 28,820	\$ 25,672	\$ 560,628
Receipts:					
Taxes	-	-	-	-	92,275
Intergovernmental	-	-	-	-	58,570
Charges for services	-	-	-	-	1,448
Utility fees	-	-	-	-	242,290
Other receipts	9,864	-	8,322	18,028	211,641
Total receipts	9,864	-	8,322	18,028	606,224
Disbursements:					
Personal services	-	-	-	-	40,661
Supplies	-	-	-	-	11,820
Other services and charges	-	-	-	-	43,441
Capital outlay	-	-	-	4,543	81,632
Utility operating expenses	-	-	-	-	81,846
Other disbursements	9,966	9,500	30,500	39,157	363,357
Total disbursements	9,966	9,500	30,500	43,700	622,757
Excess (deficiency) of receipts over disbursements	(102)	(9,500)	(22,178)	(25,672)	(16,533)
Cash and investments - ending	\$ 3,084	\$ 495	\$ 6,642	\$ -	\$ 544,095

TOWN OF WEST COLLEGE CORNER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2010

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,000
Buildings	36,158
Improvements other than buildings	11,716
Machinery and equipment	<u>113,996</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 164,870</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 8,000
Collection System	1,677,074
Plant	2,507,784
Machinery and equipment	<u>48,078</u>
Total Wastewater Utility capital assets	<u>\$ 4,240,936</u>

TOWN OF WEST COLLEGE CORNER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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:		
Loans:		
2004 State Revolving Loans for Wastewater Improvements	\$ 110,447	\$ 9,860
2008 Rural Development Loans for Wastewater and Plant Improvements	<u>1,516,000</u>	<u>87,545</u>
Total Business-type activities	<u>\$ 1,626,447</u>	<u>\$ 97,405</u>

TOWN OF WEST COLLEGE CORNER
AUDIT RESULT(S) AND COMMENT(S)

INTERNAL CONTROL – SEGREGATION OF DUTIES

Segregation of duties and accounting functions is an important aspect of internal control. Due to the small staff size, the Town is not able to adequately segregate the receipting of cash, disbursing of funds (including payroll), recording of transactions, reconciling ledgers to bank statements, and reporting functions. The Clerk-Treasurer is involved in all of the accounting functions with the assistance of a Deputy Clerk-Treasurer and Office Assistant. Such lack of segregation could cause incorrect recording and reporting of transactions which could go undetected resulting in material misstatement of the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF WEST COLLEGE CORNER, UNION COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of West College Corner (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the years ended December 31, 2009 and 2010. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2010.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Towns' response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the Towns' response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 7, 2011

TOWN OF WEST COLLEGE CORNER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-09	Total Federal Awards Expended 12-31-10
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>				
Direct Grant				
Water and Waste Disposal Systems for Rural Communities Wastewater Utility Project-Rural Development Grant	10.760		\$ 788,765	\$ 18,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through the Indiana Office of Community and Rural Affairs Community Development Block Grant/States Program Wastewater Utility Project	14.228	CF-06-248	165,105	-
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants-Public Assistance Grants(Presidentially Declared Disasters) Disaster 1795	97.036		4,226	-
Total federal awards expended			<u>\$ 958,096</u>	<u>\$ 18,000</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF WEST COLLEGE CORNER
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of West College Corner (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF WEST COLLEGE CORNER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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TOWN OF WEST COLLEGE CORNER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2010-01 - INTERNAL CONTROL – SEGREGATION OF DUTIES

Segregation of duties and accounting functions is an important aspect of internal control. Due to the small staff size, the Town is not able to adequately segregate the receipting of cash, disbursing of funds (including payroll), recording of transactions, reconciling ledgers to bank statements, and reporting functions. The Clerk-Treasurer is involved in all of the accounting functions with the assistance of a Deputy Clerk-Treasurer and Office Assistant. Such lack of segregation could cause incorrect recording and reporting of transactions which could go undetected resulting in material misstatement of the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF WEST COLLEGE CORNER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Town of West College Corner, Indiana
403 Liberty Avenue, P.O. Box 177
West College Corner, Indiana 47003
Phone (765) 732-3482- (765) 732-4619
Email: wccitown@uconline.com

July 7, 2011

Corrective Action Plan

Finding 2010-1 Segregation of Duties

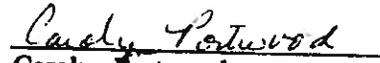
Contact Person: Judith Burke Starr

The Town of West College Corner is aware of the risks associated with a limited staff and has determined the benefits of hiring additional staff in order that all accounting functions are performed by different individuals are not sufficient to justify the increase in cost to the taxpayers of hiring additional staff.

The Town has compensating controls including oversight of the Town Council provided on a monthly basis through reviewing monthly bank reconcilements and balance reports.

The Clerk Treasurer provides each of the three Town Council members at the monthly council meeting a balance sheet showing the month's beginning balance, the approved budget amount for each fund, the disbursements for each fund and the balance of each fund.


Judith Burke Starr
Clerk/Treasurer


Carolyn Fortwood
Council President

TOWN OF WEST COLLEGE CORNER
EXIT CONFERENCE

The contents of this report were discussed on July 7, 2011, with Judith Burke Starr, Clerk-Treasurer, and Carolyn Portwood, President of the Town Council. The Official Response has been made a part of this report and may be found on page 35.

Town of West College Corner, IN
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West College Corner, IN 47003
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July 7, 2011

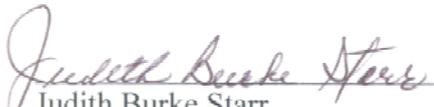
Audit Result and Comment: Segregation of Duties:

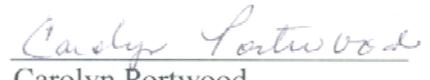
Contact Person: Judith Burke Starr

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Judith Burke Starr
Clerk/Treasurer


Carolyn Portwood
Council President