

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

EXAMINATION REPORT
OF
TOWN OF MARENGO
CRAWFORD COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
08/11/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Michael Haverstock	01-01-08 to 12-31-11
President of the Town Council	Anthony E. Jones Tonia Jones-Elliott	01-01-09 to 12-31-10 01-01-11 to 12-31-11
Town Supervisor	Kenneth Hunt	01-01-09 to 12-31-11



STATE OF INDIANA
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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 ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MARENGO, CRAWFORD COUNTY, INDIANA

We have examined the financial statement(s) of the Town of Marengo (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statement(s). 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 statement(s) and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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 noted above is a different basis than that used in the prior year.

In our opinion, the financial statement(s) 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.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement(s). They have not been subjected to the examination procedures applied to the financial statement(s) and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management and the Town Council, 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 6, 2011

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FINANCIAL STATEMENT(S)

TOWN OF MARENGO
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 Fund	\$ 34,699	\$ 89,818	\$ 101,484	\$ 23,033
Motor Vehicle Highway	34,091	19,992	32,865	21,218
Local Road And Street	4,099	2,965	4,089	2,975
Donations 4Th Of July	111	7,049	3,641	3,519
Sanitation	-	3,023	74	2,949
Local Law Enforcement Continuing Education	546	1,893	2,253	186
Riverboat	59,087	86,562	66,525	79,124
Housing Grant	-	66,088	66,088	-
Park And Recreation	2,784	-	640	2,144
Park Grant	215	-	-	215
Donations Christmas	555	1,275	631	1,199
Donation Cemetery	1,197	1,765	850	2,112
Rainy Day	9,918	869	2,358	8,429
Cummulative Capital Improvement	-	2,542	-	2,542
Industrial Park	53	-	-	53
Economic Development Income Tax	33,870	33,402	50,490	16,782
Payroll	5,153	118,231	119,013	4,371
Wastewater Operating	6,435	188,309	188,340	6,404
Wastewater Bond And Interest	30,642	36,000	26,550	40,092
Wastewater Customer Deposits	5,161	4,300	3,550	5,911
Wastewater Construction	-	139,874	142,544	(2,670)
Wastewater Contract Retainage	15,482	4,236	19,718	-
Wastewater Debt Reserve	33,138	-	12,978	20,160
Totals	<u>\$ 277,236</u>	<u>\$ 808,193</u>	<u>\$ 844,681</u>	<u>\$ 240,748</u>

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

TOWN OF MARENGO
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 Fund	\$ 23,033	\$ 68,361	\$ 106,522	\$ (15,128)
Motor Vehicle Highway	21,218	21,489	41,267	1,440
Local Road And Street	2,975	3,331	3,991	2,315
Donations 4Th Of July	3,519	5,800	6,965	2,354
Sanitation	2,949	49,267	49,877	2,339
Law Enforcement Continuing Education	186	2,754	291	2,649
Riverboat	79,124	92,896	56,280	115,740
Housing Grant	-	46,780	46,780	-
Park And Recreation	2,144	-	-	2,144
Park Grant	215	-	-	215
Donations Christmas	1,199	1,646	2,134	711
Donation Cemetery	2,112	1,182	2,450	844
Storm Drainage Grant	-	30,000	30,000	-
Rainy Day	8,429	3,309	900	10,838
Cumulative Capital Improvement	2,542	2,427	-	4,969
Industrial Park	53	-	-	53
Levy Excess	-	139	-	139
Economic Development Income Tax	16,782	26,857	26,800	16,839
Payroll	4,371	103,071	103,815	3,627
Wastewater Operating	6,404	173,758	137,679	42,483
Wastewater Bond And Interest	40,092	36,000	58,349	17,743
Wastewater Customer Deposits	5,911	3,500	2,637	6,774
Wastewater Construction	(2,670)	2,670	-	-
Wastewater Debt Reserve	20,160	60	2,670	17,550
Totals	<u>\$ 240,748</u>	<u>\$ 675,297</u>	<u>\$ 679,407</u>	<u>\$ 236,638</u>

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

TOWN OF MARENGO
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 MARENGO
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 MARENGO
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 MARENGO
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 Marengo's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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

	General Fund	Motor Vehicle Highway	Local Road And Street	Donations 4Th Of July	Sanitation	Local Law Enforcement Continuing Education
Cash and investments - beginning	\$ 34,699	\$ 34,091	\$ 4,099	\$ 111	\$ -	\$ 546
Receipts:						
Taxes	65,715	-	-	-	-	-
Licenses and permits	-	-	-	-	-	180
Intergovernmental	15,648	19,992	2,965	-	-	-
Charges for services	750	-	-	-	3,023	-
Fines and forfeits	813	-	-	-	-	1,713
Utility fees	-	-	-	-	-	-
Other receipts	6,892	-	-	7,049	-	-
Total receipts	<u>89,818</u>	<u>19,992</u>	<u>2,965</u>	<u>7,049</u>	<u>3,023</u>	<u>1,893</u>
Disbursements:						
Personal services	63,783	-	-	-	-	-
Supplies	4,301	7,982	4,089	3,641	-	570
Other services and charges	31,105	24,883	-	-	-	188
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	582	-	-	-	-	647
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,713	-	-	-	74	848
Total disbursements	<u>101,484</u>	<u>32,865</u>	<u>4,089</u>	<u>3,641</u>	<u>74</u>	<u>2,253</u>
Excess (deficiency) of receipts over disbursements	<u>(11,666)</u>	<u>(12,873)</u>	<u>(1,124)</u>	<u>3,408</u>	<u>2,949</u>	<u>(360)</u>
Cash and investments - ending	<u>\$ 23,033</u>	<u>\$ 21,218</u>	<u>\$ 2,975</u>	<u>\$ 3,519</u>	<u>\$ 2,949</u>	<u>\$ 186</u>

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

	Riverboat	Housing Grant	Park And Recreation	Park Grant	Donations Christmas	Donation Cemetery
Cash and investments - beginning	\$ 59,087	\$ -	\$ 2,784	\$ 215	\$ 555	\$ 1,197
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	86,562	66,088	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	1,275	1,765
Total receipts	<u>86,562</u>	<u>66,088</u>	<u>-</u>	<u>-</u>	<u>1,275</u>	<u>1,765</u>
Disbursements:						
Personal services	13,715	-	-	-	-	-
Supplies	-	-	-	-	631	850
Other services and charges	46,310	-	640	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	6,500	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	66,088	-	-	-	-
Total disbursements	<u>66,525</u>	<u>66,088</u>	<u>640</u>	<u>-</u>	<u>631</u>	<u>850</u>
Excess (deficiency) of receipts over disbursements	<u>20,037</u>	<u>-</u>	<u>(640)</u>	<u>-</u>	<u>644</u>	<u>915</u>
Cash and investments - ending	<u>\$ 79,124</u>	<u>\$ -</u>	<u>\$ 2,144</u>	<u>\$ 215</u>	<u>\$ 1,199</u>	<u>\$ 2,112</u>

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

	Rainy Day	Cummulative Capital Improvement	Industrial Park	Economic Development Income Tax	Payroll	Wastewater Operating
Cash and investments - beginning	\$ 9,918	\$ -	\$ 53	\$ 33,870	\$ 5,153	\$ 6,435
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,542	-	27,378	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	145,613
Other receipts	869	-	-	6,024	118,231	42,696
Total receipts	<u>869</u>	<u>2,542</u>	<u>-</u>	<u>33,402</u>	<u>118,231</u>	<u>188,309</u>
Disbursements:						
Personal services	-	-	-	39,198	-	-
Supplies	-	-	-	6,419	-	-
Other services and charges	-	-	-	1,109	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	3,764	-	-
Utility operating expenses	-	-	-	-	-	138,918
Other disbursements	2,358	-	-	-	119,013	49,422
Total disbursements	<u>2,358</u>	<u>-</u>	<u>-</u>	<u>50,490</u>	<u>119,013</u>	<u>188,340</u>
Excess (deficiency) of receipts over disbursements	<u>(1,489)</u>	<u>2,542</u>	<u>-</u>	<u>(17,088)</u>	<u>(782)</u>	<u>(31)</u>
Cash and investments - ending	<u>\$ 8,429</u>	<u>\$ 2,542</u>	<u>\$ 53</u>	<u>\$ 16,782</u>	<u>\$ 4,371</u>	<u>\$ 6,404</u>

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

	Wastewater Bond And Interest	Wastewater Customer Deposits	Wastewater Construction	Wastewater Contract Retainage	Wastewater Debt Reserve	Totals
Cash and investments - beginning	\$ 30,642	\$ 5,161	\$ -	\$ 15,482	\$ 33,138	\$ 277,236
Receipts:						
Taxes	-	-	-	-	-	65,715
Licenses and permits	-	-	-	-	-	180
Intergovernmental	-	-	-	-	-	221,175
Charges for services	-	-	-	-	-	3,773
Fines and forfeits	-	-	-	-	-	2,526
Utility fees	-	-	-	-	-	145,613
Other receipts	36,000	4,300	139,874	4,236	-	369,211
Total receipts	<u>36,000</u>	<u>4,300</u>	<u>139,874</u>	<u>4,236</u>	<u>-</u>	<u>808,193</u>
Disbursements:						
Personal services	-	-	-	-	-	116,696
Supplies	-	-	-	-	-	28,483
Other services and charges	-	-	-	-	-	104,235
Debt service - principal and interest	26,550	-	-	-	12,978	39,528
Capital outlay	-	-	142,544	-	-	154,037
Utility operating expenses	-	3,550	-	-	-	142,468
Other disbursements	-	-	-	19,718	-	259,234
Total disbursements	<u>26,550</u>	<u>3,550</u>	<u>142,544</u>	<u>19,718</u>	<u>12,978</u>	<u>844,681</u>
Excess (deficiency) of receipts over disbursements	<u>9,450</u>	<u>750</u>	<u>(2,670)</u>	<u>(15,482)</u>	<u>(12,978)</u>	<u>(36,488)</u>
Cash and investments - ending	<u>\$ 40,092</u>	<u>\$ 5,911</u>	<u>\$ (2,670)</u>	<u>\$ -</u>	<u>\$ 20,160</u>	<u>\$ 240,748</u>

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

	General Fund	Motor Vehicle Highway	Local Road And Street	Donations 4Th Of July	Sanitation	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 23,033	\$ 21,218	\$ 2,975	\$ 3,519	\$ 2,949	\$ 186	\$ 79,124
Receipts:							
Taxes	46,761	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	370	-
Intergovernmental	14,548	21,489	3,331	-	-	-	91,297
Charges for services	2,000	-	-	-	49,267	18	-
Fines and forfeits	113	-	-	-	-	2,366	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,939	-	-	5,800	-	-	1,599
Total receipts	<u>68,361</u>	<u>21,489</u>	<u>3,331</u>	<u>5,800</u>	<u>49,267</u>	<u>2,754</u>	<u>92,896</u>
Disbursements:							
Personal services	73,024	-	-	-	-	-	12,919
Supplies	3,820	8,837	-	6,965	-	85	-
Other services and charges	26,258	32,430	3,991	-	-	-	43,361
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	427	-	-	-	-	206	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,993	-	-	-	49,877	-	-
Total disbursements	<u>106,522</u>	<u>41,267</u>	<u>3,991</u>	<u>6,965</u>	<u>49,877</u>	<u>291</u>	<u>56,280</u>
Excess (deficiency) of receipts over disbursements	<u>(38,161)</u>	<u>(19,778)</u>	<u>(660)</u>	<u>(1,165)</u>	<u>(610)</u>	<u>2,463</u>	<u>36,616</u>
Cash and investments - ending	<u>\$ (15,128)</u>	<u>\$ 1,440</u>	<u>\$ 2,315</u>	<u>\$ 2,354</u>	<u>\$ 2,339</u>	<u>\$ 2,649</u>	<u>\$ 115,740</u>

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

	Housing Grant	Park And Recreation	Park Grant	Donations Christmas	Donation Cemetery	Storm Drainage Grant
Cash and investments - beginning	\$ -	\$ 2,144	\$ 215	\$ 1,199	\$ 2,112	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	46,780	-	-	-	-	30,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	1,646	1,182	-
Total receipts	<u>46,780</u>	<u>-</u>	<u>-</u>	<u>1,646</u>	<u>1,182</u>	<u>30,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	2,134	2,450	-
Other services and charges	-	-	-	-	-	30,000
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	46,780	-	-	-	-	-
Total disbursements	<u>46,780</u>	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>2,450</u>	<u>30,000</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(488)</u>	<u>(1,268)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,144</u>	<u>\$ 215</u>	<u>\$ 711</u>	<u>\$ 844</u>	<u>\$ -</u>

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

	Rainy Day	Cumulative Capital Improvement	Industrial Park	Levy Excess	Economic Development Income Tax	Payroll
Cash and investments - beginning	\$ 8,429	\$ 2,542	\$ 53	\$ -	\$ 16,782	\$ 4,371
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,427	-	-	26,167	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,309	-	-	139	690	103,071
Total receipts	<u>3,309</u>	<u>2,427</u>	<u>-</u>	<u>139</u>	<u>26,857</u>	<u>103,071</u>
Disbursements:						
Personal services	-	-	-	-	19,452	-
Supplies	-	-	-	-	7,207	-
Other services and charges	-	-	-	-	141	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	900	-	-	-	-	103,815
Total disbursements	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,800</u>	<u>103,815</u>
Excess (deficiency) of receipts over disbursements	<u>2,409</u>	<u>2,427</u>	<u>-</u>	<u>139</u>	<u>57</u>	<u>(744)</u>
Cash and investments - ending	<u>\$ 10,838</u>	<u>\$ 4,969</u>	<u>\$ 53</u>	<u>\$ 139</u>	<u>\$ 16,839</u>	<u>\$ 3,627</u>

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

	Wastewater Operating	Wastewater Bond And Interest	Wastewater Customer Deposits	Wastewater Construction	Wastewater Debt Reserve	Totals
Cash and investments - beginning	\$ 6,404	\$ 40,092	\$ 5,911	\$ (2,670)	\$ 20,160	\$ 240,748
Receipts:						
Taxes	-	-	-	-	-	46,761
Licenses and permits	-	-	-	-	-	370
Intergovernmental	-	-	-	-	-	236,039
Charges for services	-	-	-	-	-	51,285
Fines and forfeits	-	-	-	-	-	2,479
Utility fees	173,487	-	-	-	-	173,487
Other receipts	271	36,000	3,500	2,670	60	164,876
Total receipts	<u>173,758</u>	<u>36,000</u>	<u>3,500</u>	<u>2,670</u>	<u>60</u>	<u>675,297</u>
Disbursements:						
Personal services	-	-	-	-	-	105,395
Supplies	-	-	-	-	-	31,498
Other services and charges	-	-	-	-	-	136,181
Debt service - principal and interest	-	58,349	-	-	-	58,349
Capital outlay	-	-	-	-	-	633
Utility operating expenses	101,355	-	2,637	-	-	103,992
Other disbursements	36,324	-	-	-	2,670	243,359
Total disbursements	<u>137,679</u>	<u>58,349</u>	<u>2,637</u>	<u>-</u>	<u>2,670</u>	<u>679,407</u>
Excess (deficiency) of receipts over disbursements	<u>36,079</u>	<u>(22,349)</u>	<u>863</u>	<u>2,670</u>	<u>(2,610)</u>	<u>(4,110)</u>
Cash and investments - ending	<u>\$ 42,483</u>	<u>\$ 17,743</u>	<u>\$ 6,774</u>	<u>\$ -</u>	<u>\$ 17,550</u>	<u>\$ 236,638</u>

TOWN OF MARENGO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 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	\$ 67,450
Buildings	221,072
Improvements other than buildings	49,881
Machinery and equipment	<u>119,672</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 458,075</u>
 Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 22,308
Buildings	1,342,729
Improvements other than buildings	3,557,143
Machinery and equipment	<u>60,630</u>
 Total business-type activities capital assets	 <u>\$ 4,982,810</u>

TOWN OF MARENGO
 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:		
Notes and loans payable	\$ 207,471	\$ 31,336
Revenue bonds:		
1981 Wastewater Revenue Bonds	<u>222,000</u>	<u>27,100</u>
Total business-type activities debt	<u>\$ 429,471</u>	<u>\$ 58,436</u>

TOWN OF MARENGO
EXAMINATION RESULT(S) AND COMMENT(S)

OVERDRAWN CASH BALANCES

The cash balance of the Wastewater Construction Fund was overdrawn in 2009 by \$2,670 and the cash balance of the General Fund was overdrawn in 2010 by \$15,128.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for examination indicated the expenditures of the General Fund exceeded budgeted appropriations by \$9,771 and \$10,022 during 2009 and 2010, respectively.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PUBLIC WORKS PROJECT

The March 12, 2010 Town Council minutes indicated the Board received one bid for the demolition of two unsafe structures. During this meeting the Board requested the Town Supervisor to contact three more individuals to obtain additional bids. Previous board minutes did not make mentions of any prior authorization made by the Board to solicit bids for the demolition work.

The April 12, 2010 Board minutes reported that three bids for the demolition project had been received and were opened for review. The minutes further stated that the Board discussed the bids and were taking them under advisement until further notice. There was no mention in subsequent Board minutes that a contract had been awarded to any of the bidders for the demolition of the unsafe structures.

A review of claims showed that an invoice dated March 20, 2010, in the amount of \$2,000 was submitted by WM E. Breeding Construction for the demolition of the unsafe structures. The contractor's invoice date is prior to the opening of the bids as reported in the April 12, 2010 Board minutes. Additionally, records showed the Town paid the claim on April 12, 2010, the same day in which the bids were reported to have been opened. Officials stated there was not a contract entered into and the demolition did occur prior to the payment to the contractor.

TOWN OF MARENGO
EXAMINATION RESULT(S) AND COMMENT(S)
(Continued)

Indiana Code 36-1-12-5(a) states in part:

". . . whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000). . . (b) The board must proceed under the following provisions: (1) The board shall invite quotes from at least three (3) three persons known to deal in the class of work proposed to be done . . . The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes. (2) . . . All quotes received shall be opened publicly and read aloud at the time and place designated and not before. (3) the board shall award the contract to the lowest and responsive quoter."

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)

GARBAGE COLLECTION FEES

The Town has an ordinance (O83109) setting the rates to be charged to each single family dwelling within the Town limits for garbage collection. The ordinance states that stand alone businesses and apartment complexes are exempt from this fee and will receive no garbage collection provided by the Town. We noted that the Town is providing garbage collections to some businesses and assessing a fee to these businesses at rates different than the amount set for residential customers. There was no approved rate ordinance presented for examination authorizing the fees being charged to these businesses.

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)

TOWN OF MARENGO
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2011, with Michael Haverstock, Clerk-Treasurer, and Tonia Jones-Elliott, President of the Town Council. The officials concurred with our findings.