

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TOWN OF WALKERTON

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/11/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Theresa Buckmaster	01-01-08 to 12-31-15
President of the Town Council	Karol Jackson	01-01-10 to 12-31-12
Superintendent of Utilities	Kent Van Dyne	01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WALKERTON, ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Walkerton (Town), for the years ended December 31, 2010 and 2011. 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, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 14, 2012, 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.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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 Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statements. They 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.

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

August 14, 2012



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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 WALKERTON, ST. JOSEPH COUNTY, INDIANA

We have audited the financial statements of the Town of Walkerton (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated August 14, 2012. 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

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

August 14, 2012

## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 122,927	\$ 1,060,488	\$ 996,488	\$ 186,927
Petty Cash	115	-	-	115
Cash Change Fund	250	-	-	250
Motor Vehicle Highway	18,566	194,190	213,777	(1,021)
Local Road And Street	47,900	27,311	72,958	2,253
Non Reverting Operating	24,077	93,459	93,930	23,606
Donation Fund	3,220	-	2,999	221
Continuing Education Fund	11,701	6,084	3,972	13,813
Riverboat	26,803	14,231	5,225	35,809
Fire Donation	1,792	-	-	1,792
Rainy Day Fund	41,626	25,500	-	67,126
Operation Pullover	39	-	-	39
Drug Task Force	826	-	-	826
Donations Poor Relief	2,430	5,452	875	7,007
Economic Development Fund	18,542	-	-	18,542
Major Moves	224,444	-	152,134	72,310
Excess Welfare Distribution	18,828	51	12,000	6,879
Park And Recreation	2,008	117,515	111,172	8,351
Excess Levy	-	2,475	-	2,475
Beautification Fund	2,103	-	1,999	104
Matching Grant Fund	16,845	-	14,942	1,903
NSP Grant	-	768,001	768,001	-
NSP Grant Operating Fund	(83,994)	565,296	446,330	34,972
Ambulance Fund	128,045	139,523	196,555	71,013
Ambulance Invest D Eddinger	12,458	310	9,999	2,769
Ambulance Donation Fund	820	-	-	820
Court Storage Document	3,153	3,546	4,014	2,685
Police Reserve Donation	3,386	3,491	3,367	3,510
Historic Donation	17,686	5,795	2,441	21,040
Sale Of Surplus Fund	14,910	2,227	8,366	8,771
Police Grant	2,530	-	-	2,530
Interest Earned	200,812	15,684	80,864	135,632
Walkerton Continue Education	6,315	1,675	3,189	4,801
Home Grant Senior	-	276	335	(59)
Home Grant Rehab	-	-	231	(231)
Home Grant 10 Senior	-	349,000	349,000	-
Home Grant 5 Rehab	-	109,040	109,040	-
Tax Credit Fund	-	1,027,640	982,967	44,673
Fire Territory	-	-	419	(419)
LOIT Public Safety	-	114,007	32,354	81,653
Park District Bond	36,395	83,106	86,668	32,833
Cumulative Capital Dev	15,411	13,863	3,664	25,610
Non Reverting Capital	71	-	-	71
Redevelopment	9,847	287,380	92,768	204,459
Park Bond 2007	1,194	352	646	900
Cumulative Capital Improvement	4,507	6,658	-	11,165
County Economic Dev Tax	14,451	148,510	15,500	147,461
Payroll	43,990	523,993	519,819	48,164
Electric Utility Operating	619,898	3,306,582	3,231,280	695,200
Electric Utility Bond And Interest	163	-	-	163
Electric Utility Improvement	-	38,658	38,658	-
Electric Utility Deposit	60,190	8,000	8,384	59,806
Electric Utility Cash Reserve	909,997	81,278	50,569	940,706
Trash Pick Up	3,103	113,772	112,668	4,207
Wastewater Utility Operating	67,580	396,947	486,231	(21,704)
Wastewater Utility Bond And Int	34,945	104,005	100,177	38,773
Wastewater Utility Improvement	-	7,000	7,000	-
Wastewater Utility Replacement	90,785	-	-	90,785
Wastewater Cash Reserve	108,566	3,500	3,500	108,566
Water Utility Operating	23,695	548,013	546,812	24,896
Water Utility Bond And Int	129,869	175,009	169,664	135,214
Water Utility Depreciation	49,304	24,000	73,304	-
Water Utility Deposit Fund	44,897	5,299	5,874	44,322
Water Utility Construction	5,353	-	-	5,353
Water Utility Improvement	14,960	68,969	14,792	69,137
Water Utility Debt Service	179,855	3,773	3,773	179,855
<b>Totals</b>	<b>\$ 3,360,189</b>	<b>\$ 10,600,934</b>	<b>\$ 10,251,694</b>	<b>\$ 3,709,429</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF WALKERTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 186,927	\$ 749,722	\$ 823,922	\$ 112,727
Motor Vehicle Highway	(1,021)	194,009	175,141	17,847
Local Road And Street	2,253	24,409	-	26,662
Non Reverting Operating	23,606	68,343	70,486	21,463
Ambulance Non Reverting Operating	-	466	-	466
Continuing Education Fund	13,813	6,397	11,288	8,922
Riverboat	35,809	14,231	4,304	45,736
Park Bond 2011	-	251,175	31,306	219,869
Rainy Day Fund	67,126	-	-	67,126
Drug Task Force	826	-	-	826
Major Moves	72,310	21,183	815	92,678
Excess Welfare Distribution	6,879	-	-	6,879
Cumulative Capital Dev	25,610	12,016	2,680	34,946
Non Reverting Capital	71	-	-	71
Redevelopment	204,459	154,657	142,703	216,413
Cumulative Capital Improvement	11,165	6,530	6,816	10,879
County Economic Dev Tax	147,461	99,490	2,500	244,451
Fire Territory Replace Equip	-	35,543	27,000	8,543
Petty Cash	115	-	-	115
Cash Change Fund	250	-	-	250
Donation Fund	221	-	221	-
Fire Donation	1,792	-	-	1,792
Operation Pullover	39	17,487	17,526	-
Donations Poor Relief	7,007	1,368	6,334	2,041
Economic Development Fund	18,542	-	-	18,542
Park And Recreation	8,351	108,434	116,332	453
Excess Levy	2,475	-	-	2,475
Beautification Fund	104	-	-	104
Matching Grant Fund	1,903	9,045	-	10,948
NSP Grant	-	1,576,697	1,576,697	-
NSP Grant Operating Fund	34,972	24,699	59,671	-
Ambulance Fund	71,013	-	71,013	-
Ambulance Invest D Eddinger	2,769	10,159	-	12,928
Ambulance Donation Fund	820	-	813	7
Court Storage Document	2,685	2,792	3,145	2,332
Police Reserve Donation	3,510	3,945	6,234	1,221
Historic Donation	21,040	6,273	4,776	22,537
Sale Of Surplus Fund	8,771	2,127	1,734	9,164
Police Grant	2,530	-	-	2,530
Interest Earned	135,632	28,968	71,171	93,429
Walkerton Continue Education	4,801	1,435	1,991	4,245
Home Grant Senior	(59)	-	-	(59)
Home Grant Rehab	(231)	-	-	(231)
Home Grant 10 Senior	-	5,000	5,000	-
Home Grant 5 Rehab	-	32,070	43,207	(11,137)
Tax Credit Fund	44,673	41,355	86,505	(477)
Fire Territory	(419)	598,889	496,466	102,004
LOIT Public Safety	81,653	72,137	100,278	53,512
Park District Bond	32,833	50,666	78,739	4,760
Park Bond 2007	900	-	300	600
Payroll	48,164	609,132	601,445	55,851
Electric Utility Operating	695,200	3,394,152	3,599,968	489,384
Electric Utility Bond And Interest	163	-	-	163
Electric Utility Improvement	-	206,719	206,719	-
Electric Utility Deposit	59,806	7,600	8,132	59,274
Electric Utility Cash Reserve	940,706	50,278	40,000	950,984
Trash Pick Up	4,207	105,766	105,438	4,535
Wastewater Utility Operating	(21,704)	507,337	408,952	76,681
Wastewater Utility Bond And Int	38,773	360,550	374,756	24,567
Wastewater Utility Replacement	90,785	-	63,039	27,746
Wastewater Cash Reserve	108,566	3,500	64,766	47,300
Water Utility Operating	24,896	563,576	536,852	51,620
Water Utility Bond And Int	135,214	155,024	170,184	120,054
Water Utility Depreciation	-	24,000	-	24,000
Water Utility Deposit Fund	44,322	5,450	6,359	43,413
Water Utility Construction	5,353	-	-	5,353
Water Utility Improvement	69,137	750	5,262	64,625
Water Utility Debt Service	179,855	3,773	3,773	179,855
<b>Totals</b>	<b>\$ 3,709,429</b>	<b>\$ 10,229,324</b>	<b>\$ 10,242,759</b>	<b>\$ 3,695,994</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF WALKERTON  
NOTES TO FINANCIAL STATEMENTS

**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 statements present the financial information for the Town.

*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 include 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.

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

TOWN OF WALKERTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Penalties which include fees received for late payments.

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 include 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 WALKERTON  
NOTES TO FINANCIAL STATEMENTS  
(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 WALKERTON  
NOTES TO FINANCIAL STATEMENTS  
(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 any replacement items purchased.

**Note 6. *Pension Plan***

*Public Employees' Retirement Fund*

*Plan Description*

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

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

TOWN OF WALKERTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

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

	General	Petty Cash	Cash Change Fund	Motor Vehicle Highway	Local Road And Street	Non Reverting Operating	Donation Fund
Cash and investments - beginning	\$ 122,927	\$ 115	\$ 250	\$ 18,566	\$ 47,900	\$ 24,077	\$ 3,220
Receipts:							
Taxes	630,688	-	-	79,948	-	-	-
Licenses and permits	7,010	-	-	-	-	-	-
Intergovernmental	195,242	-	-	111,638	27,311	-	-
Charges for services	79,221	-	-	-	-	17,109	-
Fines and forfeits	62,452	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	85,875	-	-	2,604	-	76,350	-
Total receipts	<u>1,060,488</u>	<u>-</u>	<u>-</u>	<u>194,190</u>	<u>27,311</u>	<u>93,459</u>	<u>-</u>
Disbursements:							
Personal services	510,486	-	-	80,001	-	7,921	-
Supplies	33,363	-	-	22,273	-	4,857	-
Other services and charges	339,874	-	-	40,750	-	1,202	2,999
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	51,096	-	-	70,753	72,958	79,950	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	61,669	-	-	-	-	-	-
Total disbursements	<u>996,488</u>	<u>-</u>	<u>-</u>	<u>213,777</u>	<u>72,958</u>	<u>93,930</u>	<u>2,999</u>
Excess (deficiency) of receipts over disbursements	<u>64,000</u>	<u>-</u>	<u>-</u>	<u>(19,587)</u>	<u>(45,647)</u>	<u>(471)</u>	<u>(2,999)</u>
Cash and investments - ending	<u>\$ 186,927</u>	<u>\$ 115</u>	<u>\$ 250</u>	<u>\$ (1,021)</u>	<u>\$ 2,253</u>	<u>\$ 23,606</u>	<u>\$ 221</u>

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

	Continuing Education Fund	Riverboat	Fire Donation	Rainy Day Fund	Operation Pullover	Drug Task Force	Donations Poor Relief
Cash and investments - beginning	\$ 11,701	\$ 26,803	\$ 1,792	\$ 41,626	\$ 39	\$ 826	\$ 2,430
Receipts:							
Taxes	-	-	-	25,500	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	14,231	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	6,084	-	-	-	-	-	5,452
Total receipts	<u>6,084</u>	<u>14,231</u>	<u>-</u>	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>5,452</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	3,972	-	-	-	-	-	-
Other services and charges	-	5,225	-	-	-	-	875
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,972</u>	<u>5,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>875</u>
Excess (deficiency) of receipts over disbursements	<u>2,112</u>	<u>9,006</u>	<u>-</u>	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>4,577</u>
Cash and investments - ending	<u>\$ 13,813</u>	<u>\$ 35,809</u>	<u>\$ 1,792</u>	<u>\$ 67,126</u>	<u>\$ 39</u>	<u>\$ 826</u>	<u>\$ 7,007</u>

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

	Economic Development Fund	Major Moves	Excess Welfare Distribution	Park And Recreation	Excess Levy	Beautification Fund	Matching Grant Fund
Cash and investments - beginning	\$ 18,542	\$ 224,444	\$ 18,828	\$ 2,008	\$ -	\$ 2,103	\$ 16,845
Receipts:							
Taxes	-	-	-	102,525	2,475	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6,958	-	-	-
Charges for services	-	-	-	7,941	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	51	91	-	-	-
Total receipts	-	-	51	117,515	2,475	-	-
Disbursements:							
Personal services	-	-	-	73,118	-	-	-
Supplies	-	-	-	4,914	-	-	-
Other services and charges	-	152,134	-	23,140	-	1,999	14,942
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	12,000	10,000	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	152,134	12,000	111,172	-	1,999	14,942
Excess (deficiency) of receipts over disbursements	-	(152,134)	(11,949)	6,343	2,475	(1,999)	(14,942)
Cash and investments - ending	\$ 18,542	\$ 72,310	\$ 6,879	\$ 8,351	\$ 2,475	\$ 104	\$ 1,903

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

	NSP Grant	NSP Grant Operating Fund	Ambulance Fund	Ambulance Invest D Eddinger	Ambulance Donation Fund	Court Storage Document	Police Reserve Donation
Cash and investments - beginning	\$ -	\$ (83,994)	\$ 128,045	\$ 12,458	\$ 820	\$ 3,153	\$ 3,386
Receipts:							
Taxes	-	-	3,444	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	766,563	454,994	191	-	-	-	-
Charges for services	-	-	133,081	-	-	-	-
Fines and forfeits	-	-	-	-	-	3,546	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,438	110,302	2,807	310	-	-	3,491
Total receipts	<u>768,001</u>	<u>565,296</u>	<u>139,523</u>	<u>310</u>	<u>-</u>	<u>3,546</u>	<u>3,491</u>
Disbursements:							
Personal services	-	1,669	76,581	-	-	-	-
Supplies	2,174	504	20,138	-	-	4,014	2,737
Other services and charges	411,654	103,417	33,570	-	-	-	630
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	354,173	340,740	35,000	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	31,266	9,999	-	-	-
Total disbursements	<u>768,001</u>	<u>446,330</u>	<u>196,555</u>	<u>9,999</u>	<u>-</u>	<u>4,014</u>	<u>3,367</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>118,966</u>	<u>(57,032)</u>	<u>(9,689)</u>	<u>-</u>	<u>(468)</u>	<u>124</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 34,972</u>	<u>\$ 71,013</u>	<u>\$ 2,769</u>	<u>\$ 820</u>	<u>\$ 2,685</u>	<u>\$ 3,510</u>

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

	Historic Donation	Sale Of Surplus Fund	Police Grant	Interest Earned	Walkerton Continue Education	Home Grant Senior	Home Grant Rehab
Cash and investments - beginning	\$ 17,686	\$ 14,910	\$ 2,530	\$ 200,812	\$ 6,315	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	520	-	-
Intergovernmental	-	-	-	-	-	276	-
Charges for services	-	-	-	-	735	-	-
Fines and forfeits	-	-	-	-	420	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	5,795	2,227	-	15,684	-	-	-
Total receipts	<u>5,795</u>	<u>2,227</u>	<u>-</u>	<u>15,684</u>	<u>1,675</u>	<u>276</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	2,247	8,366	-	-	1,239	280	231
Other services and charges	194	-	-	73,119	1,950	55	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	7,745	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,441</u>	<u>8,366</u>	<u>-</u>	<u>80,864</u>	<u>3,189</u>	<u>335</u>	<u>231</u>
Excess (deficiency) of receipts over disbursements	<u>3,354</u>	<u>(6,139)</u>	<u>-</u>	<u>(65,180)</u>	<u>(1,514)</u>	<u>(59)</u>	<u>(231)</u>
Cash and investments - ending	<u>\$ 21,040</u>	<u>\$ 8,771</u>	<u>\$ 2,530</u>	<u>\$ 135,632</u>	<u>\$ 4,801</u>	<u>\$ (59)</u>	<u>\$ (231)</u>

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

	Home Grant 10 Senior	Home Grant 5 Rehab	Tax Credit Fund	Fire Territory	LOIT Public Safety	Park District Bond	Cumulative Capital Dev
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,395	\$ 15,411
Receipts:							
Taxes	-	-	1,027,640	-	114,007	78,957	13,126
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	349,000	109,040	-	-	-	4,149	737
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>349,000</u>	<u>109,040</u>	<u>1,027,640</u>	<u>-</u>	<u>114,007</u>	<u>83,106</u>	<u>13,863</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	982,967	419	32,354	86,668	2,948
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	716
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	349,000	109,040	-	-	-	-	-
Total disbursements	<u>349,000</u>	<u>109,040</u>	<u>982,967</u>	<u>419</u>	<u>32,354</u>	<u>86,668</u>	<u>3,664</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>44,673</u>	<u>(419)</u>	<u>81,653</u>	<u>(3,562)</u>	<u>10,199</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,673</u>	<u>\$ (419)</u>	<u>\$ 81,653</u>	<u>\$ 32,833</u>	<u>\$ 25,610</u>

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

	Non Reverting Capital	Redevelopment	Park Bond 2007	Cumulative Capital Improvement	County Economic Dev Tax	Payroll	Electric Utility Operating
Cash and investments - beginning	\$ 71	\$ 9,847	\$ 1,194	\$ 4,507	\$ 14,451	\$ 43,990	\$ 619,898
Receipts:							
Taxes	-	153,262	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	352	6,658	148,510	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	1,982,793
Penalties	-	-	-	-	-	-	19,545
Other receipts	-	134,118	-	-	-	523,993	1,304,244
Total receipts	-	287,380	352	6,658	148,510	523,993	3,306,582
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	52,893	646	-	15,500	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	417,166
Other disbursements	-	39,875	-	-	-	519,819	2,814,114
Total disbursements	-	92,768	646	-	15,500	519,819	3,231,280
Excess (deficiency) of receipts over disbursements	-	194,612	(294)	6,658	133,010	4,174	75,302
Cash and investments - ending	\$ 71	\$ 204,459	\$ 900	\$ 11,165	\$ 147,461	\$ 48,164	\$ 695,200

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

	Electric Utility Bond And Interest	Electric Utility Improvement	Electric Utility Deposit	Electric Utility Cash Reserve	Trash Pick Up	Wastewater Utility Operating
Cash and investments - beginning	\$ 163	\$ -	\$ 60,190	\$ 909,997	\$ 3,103	\$ 67,580
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,050
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	112,372	351,299
Penalties	-	-	-	-	1,400	6,811
Other receipts	-	38,658	8,000	81,278	-	37,787
Total receipts	-	38,658	8,000	81,278	113,772	396,947
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	10,569	-	-
Capital outlay	-	38,658	-	-	-	6,784
Utility operating expenses	-	-	8,384	-	112,668	240,516
Other disbursements	-	-	-	40,000	-	238,931
Total disbursements	-	38,658	8,384	50,569	112,668	486,231
Excess (deficiency) of receipts over disbursements	-	-	(384)	30,709	1,104	(89,284)
Cash and investments - ending	\$ 163	\$ -	\$ 59,806	\$ 940,706	\$ 4,207	\$ (21,704)

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

	Wastewater Utility Bond And Int	Wastewater Utility Improvement	Wastewater Utility Replacement	Wastewater Cash Reserve	Water Utility Operating	Water Utility Bond And Int
Cash and investments - beginning	\$ 34,945	\$ -	\$ 90,785	\$ 108,566	\$ 23,695	\$ 129,869
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,050	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	513,501	-
Penalties	-	-	-	-	5,383	-
Other receipts	104,005	7,000	-	3,500	28,079	175,009
Total receipts	<u>104,005</u>	<u>7,000</u>	<u>-</u>	<u>3,500</u>	<u>548,013</u>	<u>175,009</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	99,623	-	-	-	-	169,664
Capital outlay	-	7,000	-	-	2,448	-
Utility operating expenses	-	-	-	-	210,968	-
Other disbursements	554	-	-	3,500	333,396	-
Total disbursements	<u>100,177</u>	<u>7,000</u>	<u>-</u>	<u>3,500</u>	<u>546,812</u>	<u>169,664</u>
Excess (deficiency) of receipts over disbursements	<u>3,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,201</u>	<u>5,345</u>
Cash and investments - ending	<u>\$ 38,773</u>	<u>\$ -</u>	<u>\$ 90,785</u>	<u>\$ 108,566</u>	<u>\$ 24,896</u>	<u>\$ 135,214</u>

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

	Water Utility Depreciation	Water Utility Deposit Fund	Water Utility Construction	Water Utility Improvement	Water Utility Debt Service	Totals
Cash and investments - beginning	\$ 49,304	\$ 44,897	\$ 5,353	\$ 14,960	\$ 179,855	\$ 3,360,189
Receipts:						
Taxes	-	-	-	-	-	2,231,572
Licenses and permits	-	-	-	-	-	7,530
Intergovernmental	-	-	-	-	-	2,197,950
Charges for services	-	-	-	-	-	238,087
Fines and forfeits	-	-	-	-	-	66,418
Utility fees	-	-	-	-	-	2,959,965
Penalties	-	-	-	-	-	33,139
Other receipts	24,000	5,299	-	68,969	3,773	2,866,273
Total receipts	24,000	5,299	-	68,969	3,773	10,600,934
Disbursements:						
Personal services	-	-	-	-	-	749,776
Supplies	-	-	-	-	-	111,309
Other services and charges	-	-	-	-	-	2,382,124
Debt service - principal and interest	-	-	-	-	-	279,856
Capital outlay	-	-	-	14,792	-	1,104,813
Utility operating expenses	-	5,874	-	-	-	995,576
Other disbursements	73,304	-	-	-	3,773	4,628,240
Total disbursements	73,304	5,874	-	14,792	3,773	10,251,694
Excess (deficiency) of receipts over disbursements	(49,304)	(575)	-	54,177	-	349,240
Cash and investments - ending	\$ -	\$ 44,322	\$ 5,353	\$ 69,137	\$ 179,855	\$ 3,709,429

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Non Reverting Operating	Ambulance Non Reverting Operating	Continuing Education Fund	Riverboat
Cash and investments - beginning	\$ 186,927	\$ (1,021)	\$ 2,253	\$ 23,606	\$ -	\$ 13,813	\$ 35,809
Receipts:							
Taxes	397,803	116,820	-	-	-	-	-
Licenses and permits	19,881	-	-	-	-	-	-
Intergovernmental	186,214	61,651	24,409	-	-	-	14,231
Charges for services	3,600	-	-	-	466	-	-
Fines and forfeits	64,353	-	-	-	-	6,397	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	77,871	15,538	-	68,343	-	-	-
Total receipts	<u>749,722</u>	<u>194,009</u>	<u>24,409</u>	<u>68,343</u>	<u>466</u>	<u>6,397</u>	<u>14,231</u>
Disbursements:							
Personal services	592,452	111,058	-	9,998	-	-	-
Supplies	14,754	18,878	-	12	-	-	-
Other services and charges	194,878	26,323	-	60,476	-	-	3,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,847	18,882	-	-	-	-	1,304
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	19,991	-	-	-	-	11,288	-
Total disbursements	<u>823,922</u>	<u>175,141</u>	<u>-</u>	<u>70,486</u>	<u>-</u>	<u>11,288</u>	<u>4,304</u>
Excess (deficiency) of receipts over disbursements	<u>(74,200)</u>	<u>18,868</u>	<u>24,409</u>	<u>(2,143)</u>	<u>466</u>	<u>(4,891)</u>	<u>9,927</u>
Cash and investments - ending	<u>\$ 112,727</u>	<u>\$ 17,847</u>	<u>\$ 26,662</u>	<u>\$ 21,463</u>	<u>\$ 466</u>	<u>\$ 8,922</u>	<u>\$ 45,736</u>

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Park Bond 2011	Rainy Day Fund	Drug Task Force	Major Moves	Excess Welfare Distribution	Cumulative Capital Dev	Non Reverting Capital
Cash and investments - beginning	\$ -	\$ 67,126	\$ 826	\$ 72,310	\$ 6,879	\$ 25,610	\$ 71
Receipts:							
Taxes	-	-	-	-	-	11,300	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	716	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	251,175	-	-	21,183	-	-	-
Total receipts	<u>251,175</u>	<u>-</u>	<u>-</u>	<u>21,183</u>	<u>-</u>	<u>12,016</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	31,306	-	-	815	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,680	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>31,306</u>	<u>-</u>	<u>-</u>	<u>815</u>	<u>-</u>	<u>2,680</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>219,869</u>	<u>-</u>	<u>-</u>	<u>20,368</u>	<u>-</u>	<u>9,336</u>	<u>-</u>
Cash and investments - ending	<u>\$ 219,869</u>	<u>\$ 67,126</u>	<u>\$ 826</u>	<u>\$ 92,678</u>	<u>\$ 6,879</u>	<u>\$ 34,946</u>	<u>\$ 71</u>

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Redevelopment	Cumulative Capital Improvement	County Economic Dev Tax	Fire Territory Replace Equip	Petty Cash	Cash Change Fund	Donation Fund
Cash and investments - beginning	\$ 204,459	\$ 11,165	\$ 147,461	\$ -	\$ 115	\$ 250	\$ 221
Receipts:							
Taxes	144,657	-	-	33,236	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	6,530	99,490	2,307	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	10,000	-	-	-	-	-	-
Total receipts	<u>154,657</u>	<u>6,530</u>	<u>99,490</u>	<u>35,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	25	-	-	-	-	-	-
Other services and charges	4,204	-	-	-	-	-	221
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	138,474	6,816	2,500	27,000	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>142,703</u>	<u>6,816</u>	<u>2,500</u>	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>221</u>
Excess (deficiency) of receipts over disbursements	<u>11,954</u>	<u>(286)</u>	<u>96,990</u>	<u>8,543</u>	<u>-</u>	<u>-</u>	<u>(221)</u>
Cash and investments - ending	<u>\$ 216,413</u>	<u>\$ 10,879</u>	<u>\$ 244,451</u>	<u>\$ 8,543</u>	<u>\$ 115</u>	<u>\$ 250</u>	<u>\$ -</u>

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Fire Donation	Operation Pullover	Donations Poor Relief	Economic Development Fund	Park And Recreation	Excess Levy	Beautification Fund
Cash and investments - beginning	\$ 1,792	\$ 39	\$ 7,007	\$ 18,542	\$ 8,351	\$ 2,475	\$ 104
Receipts:							
Taxes	-	-	-	-	88,702	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,627	-	-
Charges for services	-	-	-	-	8,862	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	17,487	1,368	-	5,243	-	-
Total receipts	-	17,487	1,368	-	108,434	-	-
Disbursements:							
Personal services	-	17,526	-	-	82,821	-	-
Supplies	-	-	-	-	3,834	-	-
Other services and charges	-	-	-	-	29,677	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	6,334	-	-	-	-
Total disbursements	-	17,526	6,334	-	116,332	-	-
Excess (deficiency) of receipts over disbursements	-	(39)	(4,966)	-	(7,898)	-	-
Cash and investments - ending	\$ 1,792	\$ -	\$ 2,041	\$ 18,542	\$ 453	\$ 2,475	\$ 104

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Matching Grant Fund	NSP Grant	NSP Grant Operating Fund	Ambulance Fund	Ambulance Invest D Eddinger	Ambulance Donation Fund	Court Storage Document
Cash and investments - beginning	\$ 1,903	\$ -	\$ 34,972	\$ 71,013	\$ 2,769	\$ 820	\$ 2,685
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	2,792
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	9,045	1,576,697	24,699	-	10,159	-	-
Total receipts	<u>9,045</u>	<u>1,576,697</u>	<u>24,699</u>	<u>-</u>	<u>10,159</u>	<u>-</u>	<u>2,792</u>
Disbursements:							
Personal services	-	-	-	3,080	-	-	-
Supplies	-	9,526	-	-	-	813	3,145
Other services and charges	-	1,567,171	59,671	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	67,933	-	-	-
Total disbursements	<u>-</u>	<u>1,576,697</u>	<u>59,671</u>	<u>71,013</u>	<u>-</u>	<u>813</u>	<u>3,145</u>
Excess (deficiency) of receipts over disbursements	<u>9,045</u>	<u>-</u>	<u>(34,972)</u>	<u>(71,013)</u>	<u>10,159</u>	<u>(813)</u>	<u>(353)</u>
Cash and investments - ending	<u>\$ 10,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,928</u>	<u>\$ 7</u>	<u>\$ 2,332</u>

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Police Reserve Donation	Historic Donation	Sale Of Surplus Fund	Police Grant	Interest Earned	Walkerton Continue Education	Home Grant Senior
Cash and investments - beginning	\$ 3,510	\$ 21,040	\$ 8,771	\$ 2,530	\$ 135,632	\$ 4,801	\$ (59)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	1,435	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,945	6,273	2,127	-	28,968	-	-
Total receipts	<u>3,945</u>	<u>6,273</u>	<u>2,127</u>	<u>-</u>	<u>28,968</u>	<u>1,435</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	6,234	4,776	1,683	-	-	-	-
Other services and charges	-	-	51	-	21,171	1,991	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	50,000	-	-
Total disbursements	<u>6,234</u>	<u>4,776</u>	<u>1,734</u>	<u>-</u>	<u>71,171</u>	<u>1,991</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,289)</u>	<u>1,497</u>	<u>393</u>	<u>-</u>	<u>(42,203)</u>	<u>(556)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,221</u>	<u>\$ 22,537</u>	<u>\$ 9,164</u>	<u>\$ 2,530</u>	<u>\$ 93,429</u>	<u>\$ 4,245</u>	<u>\$ (59)</u>

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Home Grant Rehab	Home Grant 10 Senior	Home Grant 5 Rehab	Tax Credit Fund	Fire Territory	LOIT Public Safety	Park District Bond
Cash and investments - beginning	\$ (231)	\$ -	\$ -	\$ 44,673	\$ (419)	\$ 81,653	\$ 32,833
Receipts:							
Taxes	-	-	-	-	356,514	-	47,646
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	24,750	72,137	3,020
Charges for services	-	-	-	-	148,580	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	5,000	32,070	41,355	69,045	-	-
Total receipts	-	5,000	32,070	41,355	598,889	72,137	50,666
Disbursements:							
Personal services	-	-	-	-	359,499	5,264	-
Supplies	-	-	-	-	45,607	5,646	-
Other services and charges	-	-	-	-	45,311	51,875	-
Debt service - principal and interest	-	-	-	-	-	-	78,739
Capital outlay	-	5,000	43,207	86,505	7,867	36,583	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	38,182	910	-
Total disbursements	-	5,000	43,207	86,505	496,466	100,278	78,739
Excess (deficiency) of receipts over disbursements	-	-	(11,137)	(45,150)	102,423	(28,141)	(28,073)
Cash and investments - ending	\$ (231)	\$ -	\$ (11,137)	\$ (477)	\$ 102,004	\$ 53,512	\$ 4,760

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Park Bond 2007	Payroll	Electric Utility Operating	Electric Utility Bond And Interest	Electric Utility Improvement	Electric Utility Deposit	Electric Utility Cash Reserve
Cash and investments - beginning	\$ 900	\$ 48,164	\$ 695,200	\$ 163	\$ -	\$ 59,806	\$ 940,706
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	3,369,761	-	-	-	-
Penalties	-	-	17,285	-	-	-	-
Other receipts	-	609,132	7,106	-	206,719	7,600	50,278
Total receipts	-	609,132	3,394,152	-	206,719	7,600	50,278
Disbursements:							
Personal services	-	601,445	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	300	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	48,676	-	206,719	-	-
Utility operating expenses	-	-	3,260,101	-	-	-	-
Other disbursements	-	-	291,191	-	-	8,132	40,000
Total disbursements	300	601,445	3,599,968	-	206,719	8,132	40,000
Excess (deficiency) of receipts over disbursements	(300)	7,687	(205,816)	-	-	(532)	10,278
Cash and investments - ending	\$ 600	\$ 55,851	\$ 489,384	\$ 163	\$ -	\$ 59,274	\$ 950,984

TOWN OF WALKERTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Trash Pick Up	Wastewater Utility Operating	Wastewater Utility Bond And Int	Wastewater Utility Replacement	Wastewater Cash Reserve	Water Utility Operating	Water Utility Bond And Int
Cash and investments - beginning	\$ 4,207	\$ (21,704)	\$ 38,773	\$ 90,785	\$ 108,566	\$ 24,896	\$ 135,214
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	105,766	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	442,454	-	-	-	470,822	-
Penalties	-	6,683	-	-	-	4,602	-
Other receipts	-	58,200	360,550	-	3,500	88,152	155,024
Total receipts	<u>105,766</u>	<u>507,337</u>	<u>360,550</u>	<u>-</u>	<u>3,500</u>	<u>563,576</u>	<u>155,024</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	105,438	-	-	-	-	-	-
Debt service - principal and interest	-	-	261,584	-	-	-	170,184
Capital outlay	-	438	-	3,690	55,550	20,613	-
Utility operating expenses	-	336,552	-	550	5,716	328,198	-
Other disbursements	-	71,962	113,172	58,799	3,500	188,041	-
Total disbursements	<u>105,438</u>	<u>408,952</u>	<u>374,756</u>	<u>63,039</u>	<u>64,766</u>	<u>536,852</u>	<u>170,184</u>
Excess (deficiency) of receipts over disbursements	<u>328</u>	<u>98,385</u>	<u>(14,206)</u>	<u>(63,039)</u>	<u>(61,266)</u>	<u>26,724</u>	<u>(15,160)</u>
Cash and investments - ending	<u>\$ 4,535</u>	<u>\$ 76,681</u>	<u>\$ 24,567</u>	<u>\$ 27,746</u>	<u>\$ 47,300</u>	<u>\$ 51,620</u>	<u>\$ 120,054</u>

TOWN OF WALKERTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For The Year Ended December 31, 2011  
(Continued)

	Water Utility Depreciation	Water Utility Deposit Fund	Water Utility Construction	Water Utility Improvement	Water Utility Debt Service	Totals
Cash and investments - beginning	\$ -	\$ 44,322	\$ 5,353	\$ 69,137	\$ 179,855	\$ 3,709,429
Receipts:						
Taxes	-	-	-	-	-	1,196,678
Licenses and permits	-	-	-	-	-	21,316
Intergovernmental	-	-	-	-	-	501,082
Charges for services	-	-	-	-	-	267,274
Fines and forfeits	-	-	-	-	-	73,542
Utility fees	-	-	-	-	-	4,283,037
Penalties	-	-	-	-	-	28,570
Other receipts	24,000	5,450	-	750	3,773	3,857,825
Total receipts	24,000	5,450	-	750	3,773	10,229,324
Disbursements:						
Personal services	-	-	-	-	-	1,783,143
Supplies	-	-	-	-	-	114,933
Other services and charges	-	-	-	-	-	2,203,879
Debt service - principal and interest	-	-	-	-	-	510,507
Capital outlay	-	-	-	5,262	-	719,613
Utility operating expenses	-	-	-	-	-	3,931,117
Other disbursements	-	6,359	-	-	3,773	979,567
Total disbursements	-	6,359	-	5,262	3,773	10,242,759
Excess (deficiency) of receipts over disbursements	24,000	(909)	-	(4,512)	-	(13,435)
Cash and investments - ending	\$ 24,000	\$ 43,413	\$ 5,353	\$ 64,625	\$ 179,855	\$ 3,695,994

TOWN OF WALKERTON  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 19,397	\$ -
Electric Utility	5,626	474
Trash Pick Up	7,976	166
Wastewater Utility	2,246	749
Water Utility	<u>4,686</u>	<u>452</u>
Totals	<u>\$ 39,931</u>	<u>\$ 1,841</u>

TOWN OF WALKERTON  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
First Source Bank	Police Vehicle	\$ 6,800	03-10-10	03-10-13
First Source Bank	Police Vehicle	2,656	03-10-10	03-10-13
First Source Bank	Police Vehicle	<u>6,800</u>	03-10-10	03-10-13
Total of annual lease payments		<u>\$ 16,256</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Park District Bonds of 2011	\$ 255,000	\$ 5,180
Notes and loans payable	Fire Truck	<u>169,543</u>	<u>27,000</u>
Total governmental activities		<u>424,543</u>	<u>32,180</u>
Wastewater Utility:			
Revenue bonds	Wastewater Facility and Sewer Works Project of 2011	<u>453,000</u>	<u>74,121</u>
Water Utility:			
Revenue bonds	Water Tower / Distribution Improvement	<u>1,600,500</u>	<u>148,707</u>
Totals		<u>\$ 2,478,043</u>	<u>\$ 255,008</u>

TOWN OF WALKERTON  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 300,000
Infrastructure	14,100
Buildings	2,020,826
Machinery, equipment and vehicles	2,290,204
Total governmental activities	4,625,130
Electric Utility:	
Infrastructure	1,499,050
Buildings	410,871
Machinery, equipment and vehicles	1,934,117
Total Electric Utility	3,844,038
Wastewater Utility:	
Infrastructure	736,619
Buildings	940,858
Machinery, equipment and vehicles	1,378,013
Total Wastewater Utility	3,055,490
Water Utility:	
Infrastructure	2,733,483
Buildings	262,914
Machinery, equipment and vehicles	708,393
Total Water Utility	3,704,790
Total capital assets	\$ 15,229,448

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF WALKERTON, ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Walkerton (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 each of its major federal programs for the years ended December 31, 2010 and 2011. The Town's major federal programs are 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 programs 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 each of its major federal programs for the years ended December 31, 2010 and 2011.

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 THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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.

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

August 14, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Town. The schedule and notes are presented as intended by the Town.

TOWN OF WALKERTON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended December 31, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. Department of Housing and Urban Development</u>				
Pass-Through Indiana Housing and Community Development Authority				
CDBG - State Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	NSP1-009-021	\$ 768,001	\$ 1,576,697
Home Investment Partnerships Program	14.239			
Home Grant for Seniors		HM-008-010	349,000	5,000
Home Buyer Rehabilitation		HM-009-005	109,040	43,207
Total for program			458,040	48,207
Total for federal grantor agency			1,226,041	1,624,904
<u>U.S. Department of Justice</u>				
Pass-Through Indiana Criminal Justice Institute				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2009-DJ-BX-0049	-	9,045
<u>U.S. Department of Transportation</u>				
Pass-Through Indiana Department of Transportation				
Commercial Driver's License Program Improvement Grant	20.232	022CD091810ECWS	812	-
Total federal awards expended			\$ 1,226,853	\$ 1,633,949

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF WALKERTON  
NOTES 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 Walkerton (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.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the Town provided federal awards to subrecipients as follows for the years ended December 31, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
Home Investment Partnerships Program	14.239	\$ 12,615	\$ 37,070

TOWN OF WALKERTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies 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
14.239	CDBG - State Administered CDBG Cluster Home Investment Partnerships Program

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

TOWN OF WALKERTON  
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2012, with Theresa Buckmaster, Clerk-Treasurer, and Karol Jackson, President of the Town Council. Our audit disclosed no material items that warrant comment at this time.