

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF WESTVILLE

LAPORTE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/25/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Rotzien	01-01-08 to 12-31-15
President of the Town Council	Michael Albert	01-01-10 to 12-31-12
Superintendent of Utilities	Bart Frank	01-01-10 to 12-31-12
Town Marshall	James Gunning	01-01-10 to 12-31-12



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WESTVILLE, LAPORTE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Westville (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 statements 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 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.

Our examination 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, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to 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, and others within the entity 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

September 26, 2012

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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 WESTVILLE
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	\$ 656,521	\$ 560,212	\$ 467,362	\$ 749,371
Motor Vehicle Highway	284,519	139,415	142,463	281,471
Local Road & Street	296,700	42,418	7,524	331,594
Pro Our Child Donation	2,886	-	1,465	1,421
Pol Cont Ed	11,977	3,449	4,478	10,948
Park & Recreation	21,923	6,161	15,056	13,028
Neva Kline	11,753	297	677	11,373
Major Moves Const	1,262,220	2,021	-	1,264,241
Cum Cap Imp - Cig Tax	16,021	15,258	15,000	16,279
Cum Cap Development	58,027	17,081	4,655	70,453
Cedit	189,488	39,932	40,603	188,817
Payroll	-	543,116	543,116	-
Trash & Garbage Pickup	66,449	51,670	63,192	54,927
Sewage Operating	242,153	488,336	604,707	125,782
Sewage Meter Deposit	30,836	2,636	2,513	30,959
Sewage Maintenance	22,363	23,336	-	45,699
Water Operating	591,157	530,325	538,228	583,254
Water Bond & Interest	57,716	118,809	118,300	58,225
Water Meter Deposit	30,594	2,629	2,657	30,566
Water Maintenance	106,787	23,761	-	130,548
Water Debit Service	119,535	-	-	119,535
Totals	<u>\$ 4,079,625</u>	<u>\$ 2,610,862</u>	<u>\$ 2,571,996</u>	<u>\$ 4,118,491</u>

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

TOWN OF WESTVILLE
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	\$ 749,371	\$ 435,580	\$ 494,090	\$ 690,861
MOTOR VEHICLE HIGHWAY	281,471	140,857	156,372	265,956
LOCAL ROAD & STREET	331,594	41,051	34,512	338,133
TRASH & GARBAGE PICKUP	54,927	56,255	61,556	49,626
POL CONT ED	10,948	2,935	3,566	10,317
PARK & RECREATION	13,028	5,575	14,287	4,316
CEDIT	188,817	31,967	97,533	123,251
MAJOR MOVES CONST	1,264,241	32,156	105,837	1,190,560
CUM CAP IMP - CIG TAX	16,279	14,965	15,000	16,244
CUM CAP DEVELOPMENT	70,453	11,353	-	81,806
PRO OUR CHILD DONATION	1,421	-	-	1,421
NEVA KLINE	11,374	234	-	11,608
BIRCHFIELD MEMORIAL	-	6,200	1,352	4,848
PAYROLL	-	575,600	575,600	-
SEWAGE OPERATING	125,782	501,604	521,300	106,086
SEWAGE METER DEPOSIT	30,959	4,293	3,603	31,649
SEWAGE MAINTENANCE	45,699	23,218	6,003	62,914
WATER OPERATING	583,254	526,084	513,476	595,862
WATER METER DEPOSIT	30,566	4,134	3,474	31,226
WATER MAINTENANCE	130,548	24,135	-	154,683
WATER BOND & INTEREST	58,225	118,806	117,975	59,056
WATER DEBIT SERVICE	119,535	-	-	119,535
Totals	<u>\$ 4,118,492</u>	<u>\$ 2,557,002</u>	<u>\$ 2,725,536</u>	<u>\$ 3,949,958</u>

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

TOWN OF WESTVILLE
NOTES TO FINANCIAL STATEMENT

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, and trash.

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 state,

TOWN OF WESTVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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, park rental fees, 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.

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.

TOWN OF WESTVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 WESTVILLE
NOTES TO FINANCIAL STATEMENT
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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:

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

TOWN OF WESTVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

Note 7. Subsequent Event

Property Tax Assessment

LaPorte County has been unable to establish approved assessment amounts for county-wide properties. This has caused the County to bill property owners based on "provisional" tax bills. The County has issued reconciling tax bills for 2008 pay 2009 and 2009 pay 2010. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the County. It is undetermined how much property tax collections the Town will receive once all the reconciliation bills have been distributed and the collections received.

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/.

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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

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

	General	Motor Vehicle Highway	Local Road & Street	Pro Our Child Donation	Pol Cont Ed	Park & Recreation	Neva Kline	Major Moves Const
Cash and investments - beginning	\$ 656,521	\$ 284,519	\$ 296,700	\$ 2,886	\$ 11,977	\$ 21,923	\$ 11,753	\$ 1,262,220
Receipts:								
Taxes	337,371	-	-	-	-	-	-	-
Licenses and permits	9,115	-	-	-	830	-	-	-
Intergovernmental	191,003	139,399	42,418	-	-	-	-	-
Charges for services	-	-	-	-	152	5,800	-	-
Fines and forfeits	100	-	-	-	2,198	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	22,623	16	-	-	269	361	297	2,021
Total receipts	<u>560,212</u>	<u>139,415</u>	<u>42,418</u>	<u>-</u>	<u>3,449</u>	<u>6,161</u>	<u>297</u>	<u>2,021</u>
Disbursements:								
Personal services	261,700	90,454	-	-	-	2,791	-	-
Supplies	14,174	14,320	4,998	-	-	332	-	-
Other services and charges	188,913	37,659	2,526	-	4,478	10,733	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	2,575	30	-	1,465	-	-	677	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,200	-	-
Total disbursements	<u>467,362</u>	<u>142,463</u>	<u>7,524</u>	<u>1,465</u>	<u>4,478</u>	<u>15,056</u>	<u>677</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>92,850</u>	<u>(3,048)</u>	<u>34,894</u>	<u>(1,465)</u>	<u>(1,029)</u>	<u>(8,895)</u>	<u>(380)</u>	<u>2,021</u>
Cash and investments - ending	<u>\$ 749,371</u>	<u>\$ 281,471</u>	<u>\$ 331,594</u>	<u>\$ 1,421</u>	<u>\$ 10,948</u>	<u>\$ 13,028</u>	<u>\$ 11,373</u>	<u>\$ 1,264,241</u>

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

	Cum Cap Imp - Cig Tax	Cum Cap Development	Credit	Payroll	Trash & Garbage Pickup	Sewage Operating	Sewage Meter Deposit
Cash and investments - beginning	\$ 16,021	\$ 58,027	\$ 189,488	\$ -	\$ 66,449	\$ 242,153	\$ 30,836
Receipts:							
Taxes	-	14,697	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	15,258	2,384	39,932	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	51,573	461,000	-
Penalties	-	-	-	-	-	4,795	-
Other receipts	-	-	-	543,116	97	22,541	2,636
Total receipts	15,258	17,081	39,932	543,116	51,670	488,336	2,636
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,655	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	6,150	-
Capital outlay	-	-	40,603	-	-	73,152	-
Utility operating expenses	-	-	-	-	63,192	501,426	1,487
Other disbursements	15,000	-	-	543,116	-	23,979	1,026
Total disbursements	15,000	4,655	40,603	543,116	63,192	604,707	2,513
Excess (deficiency) of receipts over disbursements	258	12,426	(671)	-	(11,522)	(116,371)	123
Cash and investments - ending	\$ 16,279	\$ 70,453	\$ 188,817	\$ -	\$ 54,927	\$ 125,782	\$ 30,959

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

	Sewage Maintenance	Water Operating	Water Bond & Interest	Water Meter Deposit	Water Maintenance	Water Debit Service	Totals
Cash and investments - beginning	\$ 22,363	\$ 591,157	\$ 57,716	\$ 30,594	\$ 106,787	\$ 119,535	\$ 4,079,625
Receipts:							
Taxes	-	-	-	-	-	-	352,068
Licenses and permits	-	-	-	-	-	-	9,945
Intergovernmental	-	-	-	-	-	-	430,394
Charges for services	-	-	-	-	-	-	5,952
Fines and forfeits	-	-	-	-	-	-	2,298
Utility fees	-	488,081	-	-	-	-	1,000,654
Penalties	-	6,163	-	-	-	-	10,958
Other receipts	23,336	36,081	118,809	2,629	23,761	-	798,593
Total receipts	<u>23,336</u>	<u>530,325</u>	<u>118,809</u>	<u>2,629</u>	<u>23,761</u>	<u>-</u>	<u>2,610,862</u>
Disbursements:							
Personal services	-	-	-	-	-	-	354,945
Supplies	-	-	-	-	-	-	33,824
Other services and charges	-	-	-	-	-	-	248,964
Debt service - principal and interest	-	-	118,300	-	-	-	124,450
Capital outlay	-	107,269	-	-	-	-	225,771
Utility operating expenses	-	259,049	-	1,323	-	-	826,477
Other disbursements	-	171,910	-	1,334	-	-	757,565
Total disbursements	<u>-</u>	<u>538,228</u>	<u>118,300</u>	<u>2,657</u>	<u>-</u>	<u>-</u>	<u>2,571,996</u>
Excess (deficiency) of receipts over disbursements	<u>23,336</u>	<u>(7,903)</u>	<u>509</u>	<u>(28)</u>	<u>23,761</u>	<u>-</u>	<u>38,866</u>
Cash and investments - ending	<u>\$ 45,699</u>	<u>\$ 583,254</u>	<u>\$ 58,225</u>	<u>\$ 30,566</u>	<u>\$ 130,548</u>	<u>\$ 119,535</u>	<u>\$ 4,118,491</u>

TOWN OF WESTVILLE
 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 & STREET	TRASH & GARBAGE PICKUP	POL CONT ED	PARK & RECREATION	CEDIT	MAJOR MOVES CONST
Cash and investments - beginning	\$ 749,371	\$ 281,471	\$ 331,594	\$ 54,927	\$ 10,948	\$ 13,028	\$ 188,817	\$ 1,264,241
Receipts:								
Taxes	212,932	-	-	-	-	-	-	-
Licenses and permits	10,007	-	-	-	630	-	-	-
Intergovernmental	187,657	140,857	41,051	-	-	-	29,327	-
Charges for services	-	-	-	56,171	288	5,575	-	30,170
Fines and forfeits	115	-	-	-	2,017	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	24,869	-	-	84	-	-	2,640	1,986
Total receipts	<u>435,580</u>	<u>140,857</u>	<u>41,051</u>	<u>56,255</u>	<u>2,935</u>	<u>5,575</u>	<u>31,967</u>	<u>32,156</u>
Disbursements:								
Personal services	293,720	102,878	-	-	-	2,824	-	-
Supplies	21,202	18,072	10,971	34	-	1,089	-	-
Other services and charges	179,082	33,422	23,541	61,522	3,566	9,137	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	86	2,000	-	-	-	112	97,533	105,837
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,125	-	-
Total disbursements	<u>494,090</u>	<u>156,372</u>	<u>34,512</u>	<u>61,556</u>	<u>3,566</u>	<u>14,287</u>	<u>97,533</u>	<u>105,837</u>
Excess (deficiency) of receipts over disbursements	<u>(58,510)</u>	<u>(15,515)</u>	<u>6,539</u>	<u>(5,301)</u>	<u>(631)</u>	<u>(8,712)</u>	<u>(65,566)</u>	<u>(73,681)</u>
Cash and investments - ending	<u>\$ 690,861</u>	<u>\$ 265,956</u>	<u>\$ 338,133</u>	<u>\$ 49,626</u>	<u>\$ 10,317</u>	<u>\$ 4,316</u>	<u>\$ 123,251</u>	<u>\$ 1,190,560</u>

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

	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	PRO OUR CHILD DONATION	NEVA KLINE	BIRCHFIELD MEMORIAL	PAYROLL	SEWAGE OPERATING	SEWAGE METER DEPOSIT
Cash and investments - beginning	\$ 16,279	\$ 70,453	\$ 1,421	\$ 11,374	\$ -	\$ -	\$ 125,782	\$ 30,959
Receipts:								
Taxes	-	9,232	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	14,965	2,121	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	473,931	4,080
Penalties	-	-	-	-	-	-	4,133	-
Other receipts	-	-	-	234	6,200	575,600	23,540	213
Total receipts	14,965	11,353	-	234	6,200	575,600	501,604	4,293
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	7,000	-
Capital outlay	-	-	-	-	1,352	-	4,399	-
Utility operating expenses	-	-	-	-	-	-	486,683	3,390
Other disbursements	15,000	-	-	-	-	575,600	23,218	213
Total disbursements	15,000	-	-	-	1,352	575,600	521,300	3,603
Excess (deficiency) of receipts over disbursements	(35)	11,353	-	234	4,848	-	(19,696)	690
Cash and investments - ending	\$ 16,244	\$ 81,806	\$ 1,421	\$ 11,608	\$ 4,848	\$ -	\$ 106,086	\$ 31,649

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

	SEWAGE MAINTENANCE	WATER OPERATING	WATER METER DEPOSIT	WATER MAINTENANCE	WATER BOND & INTEREST	WATER DEBIT SERVICE	TOTALS
Cash and investments - beginning	\$ 45,699	\$ 583,254	\$ 30,566	\$ 130,548	\$ 58,225	\$ 119,535	\$ 4,118,492
Receipts:							
Taxes	-	-	-	-	-	-	222,164
Licenses and permits	-	-	-	-	-	-	10,637
Intergovernmental	-	-	-	-	-	-	415,978
Charges for services	-	-	-	-	-	-	92,204
Fines and forfeits	-	-	-	-	-	-	2,132
Utility fees	-	492,957	4,020	-	-	-	974,988
Penalties	-	6,288	-	-	-	-	10,421
Other receipts	23,218	26,839	114	24,135	118,806	-	828,478
Total receipts	<u>23,218</u>	<u>526,084</u>	<u>4,134</u>	<u>24,135</u>	<u>118,806</u>	<u>-</u>	<u>2,557,002</u>
Disbursements:							
Personal services	-	-	-	-	-	-	399,422
Supplies	-	-	-	-	-	-	51,368
Other services and charges	-	-	-	-	-	-	310,270
Debt service - principal and interest	-	-	-	-	117,975	-	124,975
Capital outlay	6,003	22,926	-	-	-	-	240,248
Utility operating expenses	-	347,865	3,360	-	-	-	841,298
Other disbursements	-	142,685	114	-	-	-	757,955
Total disbursements	<u>6,003</u>	<u>513,476</u>	<u>3,474</u>	<u>-</u>	<u>117,975</u>	<u>-</u>	<u>2,725,536</u>
Excess (deficiency) of receipts over disbursements	<u>17,215</u>	<u>12,608</u>	<u>660</u>	<u>24,135</u>	<u>831</u>	<u>-</u>	<u>(168,534)</u>
Cash and investments - ending	<u>\$ 62,914</u>	<u>\$ 595,862</u>	<u>\$ 31,226</u>	<u>\$ 154,683</u>	<u>\$ 59,056</u>	<u>\$ 119,535</u>	<u>\$ 3,949,958</u>

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ -
Wastewater	-	1,523
Water	-	3,609
Totals	<u>\$ -</u>	<u>\$ 5,132</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Pitney Bowes	Postage Machine	\$ 2,160	01-01-11	12-31-11
Total of annual lease payments		<u>\$ 2,160</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater: Revenue bonds	USDA Loan	\$ 56,000	\$ 6,800
Water: Revenue bonds	USDA Loan	<u>1,806,000</u>	<u>117,600</u>
Totals		<u>\$ 1,862,000</u>	<u>\$ 124,400</u>

TOWN OF WESTVILLE
EXAMINATION RESULTS AND COMMENTS

POLICE DEPARTMENT - RECEIPTS

Receipts and fees collected by the Police Department were remitted to the Clerk-Treasurer less frequently than once a week. In one example a receipt dated December 8, 2010, was remitted to the town on February 8, 2011. This resulted in a 60 day delay between the date receipts were received and the date the funds were actually recorded and deposited in the bank.

Receipts and fees collected by a police department should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

CAPITAL ASSETS

As stated in prior audit Reports B22582, B27413, and B31953, the Town records capital asset additions for the street and police departments, but disposals are not being recorded. Records are not maintained for other departments of the Town. In addition, historical cost values for Town property have not been determined.

The Water and Wastewater Utilities do not maintain sufficient detailed records of capital assets for their Utility Plant in Service accounts. Land or water lines were not included as well as historical values of all the assets listed. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTERNAL CONTROLS

There were several instances in which the number of gallons of water pumped significantly exceeded the number of gallons billed. In some instances the number of gallons of water pumped exceeded the number of gallons billed by 1,223,930 gallons this represents a 27 percent increase over total gallons billed for the month. Consistent instances of significant unexplained water usages could be the result of serious internal control deficiencies which could result in inaccurate accountability, reporting and inaccurate decision making.

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

TOWN OF WESTVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 26, 2012, with Michael Albert, President of the Town Council, and Carol Rotzien, Clerk-Treasurer. The officials concurred with our findings.