

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF WATERLOO

DEKALB COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
10/30/2012



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SCHEDULE OF OFFICIALS

| <u>Office</u>                        | <u>Official</u>                   | <u>Term</u>                                  |
|--------------------------------------|-----------------------------------|--|
| Clerk-Treasurer                      | Renata Ford                       | 01-01-08 to 12-31-15                         |
| President of the Town Council        | William Hubartt<br>Candice Surber | 01-01-10 to 12-31-10<br>01-01-11 to 12-31-12 |
| Superintendent of Water Utility      | James Rodman                      | 01-01-10 to 12-31-12                         |
| Superintendent of Wastewater Utility | Chad Ritter                       | 01-01-10 to 12-31-12                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WATERLOO, DEKALB COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Waterloo (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 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.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it.

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

October 1, 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 WATERLOO  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

| Fund                                   | Cash and<br>Investments<br>01-01-10 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-10 |
|--|-------------------------------------|---------------------|---------------------|-------------------------------------|
| General                                | \$ 43,332                           | \$ 780,896          | \$ 711,877          | \$ 112,351                          |
| Cash Change                            | 200                                 | -                   | -                   | 200                                 |
| Motor Vehicle Highway                  | 111,687                             | 228,880             | 257,454             | 83,113                              |
| Local Road And Street                  | 2,735                               | 11,323              | 10,550              | 3,508                               |
| Cemetery Operating                     | 6,421                               | -                   | -                   | 6,421                               |
| Sanitation                             | 13,419                              | 108,177             | 107,622             | 13,974                              |
| Law Enforcement Continuing Education   | 6,219                               | 3,213               | 4,099               | 5,333                               |
| Riverboat                              | 31,214                              | 23,067              | 20,660              | 33,621                              |
| Park Donation                          | 5                                   | 6,603               | 620                 | 5,988                               |
| Cemetery Gift                          | 723                                 | -                   | -                   | 723                                 |
| Rainy Day                              | 45,476                              | 62,779              | 86,969              | 21,286                              |
| Levy Excess                            | -                                   | 1,872               | -                   | 1,872                               |
| Operation Pullover                     | -                                   | 1,178               | 1,013               | 165                                 |
| Redevelopment                          | 15,568                              | 13,125              | 16,252              | 12,441                              |
| Marshals                               | 2,984                               | 2,556               | 4,335               | 1,205                               |
| Town Match Money                       | 55,000                              | 52,768              | 107,768             | -                                   |
| Tax Incremental Financing              | 24,913                              | 32,003              | 25,854              | 31,062                              |
| Cumulative Capital Development         | 16,600                              | 16,787              | 27,309              | 6,078                               |
| Cumulative Fire                        | 57,395                              | 62,063              | 21,546              | 97,912                              |
| County Economic Development Income Tax | 97,854                              | 86,618              | 89,896              | 94,576                              |
| Cumulative Capital Improvement         | 6,935                               | 6,442               | 3,120               | 10,257                              |
| Depot Fund                             | -                                   | 3,688               | 2,720               | 968                                 |
| Cemetery Endowment                     | 58,391                              | 2,992               | 4,500               | 56,883                              |
| MCM Project                            | 21,923                              | 53,402              | 38,927              | 36,398                              |
| Payroll                                | 1                                   | 601,508             | 601,471             | 38                                  |
| Wastewater Utility-Operating           | 45,006                              | 635,480             | 611,161             | 69,325                              |
| Wastewater Utility-Bond And Interest   | 145,618                             | 215,519             | 219,713             | 141,424                             |
| Wastewater Utility-Depreciation        | 2,125                               | 15,150              | -                   | 17,275                              |
| Wastewater Utility-Customer Deposit    | 14,447                              | 1,400               | 507                 | 15,340                              |
| Wastewater Utility-Construction        | 7,689                               | 81,556              | 12,330              | 76,915                              |
| Wastewater Utility-Debt Reserve        | 218,514                             | 7,631               | 4,012               | 222,133                             |
| Water Utility-Operating                | 5,341                               | 354,424             | 345,056             | 14,709                              |
| Water Utility-Bond And Interest        | 13,021                              | 99,040              | 103,280             | 8,781                               |
| Water Utility-Improvement              | 1,391                               | 6,530               | 7,160               | 761                                 |
| Water Utility-Customer Deposit         | 17,955                              | 1,400               | 777                 | 18,578                              |
| Water Utility-Construction             | 6,975                               | -                   | 3,690               | 3,285                               |
| Water Utility-Debt Reserve             | 109,066                             | 5,659               | 7,357               | 107,368                             |
| Totals                                 | <u>\$ 1,206,143</u>                 | <u>\$ 3,585,729</u> | <u>\$ 3,459,605</u> | <u>\$ 1,332,267</u>                 |

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

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

| Fund                                   | Cash and<br>Investments<br>01-01-11 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-11 |
|--|-------------------------------------|---------------------|---------------------|-------------------------------------|
| General                                | \$ 112,351                          | \$ 785,931          | \$ 712,891          | \$ 185,391                          |
| Motor Vehicle Highway                  | 83,113                              | 233,037             | 216,810             | 99,340                              |
| Local Road And Street                  | 3,508                               | 11,037              | -                   | 14,545                              |
| Sanitation                             | 13,974                              | 108,968             | 108,878             | 14,064                              |
| Law Enforcement Continuing Education   | 5,333                               | 3,106               | 1,550               | 6,889                               |
| Riverboat                              | 33,621                              | 27,468              | -                   | 61,089                              |
| Rainy Day                              | 21,286                              | 20,000              | -                   | 41,286                              |
| Levy Excess                            | 1,872                               | -                   | -                   | 1,872                               |
| Cumulative Capital Development         | 6,078                               | 30,887              | 10,560              | 26,405                              |
| Cumulative Fire                        | 97,912                              | 11,089              | 17,573              | 91,428                              |
| County Economic Development Income Tax | 94,576                              | 78,060              | 78,512              | 94,124                              |
| Cumulative Capital Improvement         | 10,257                              | 6,617               | 2,508               | 14,366                              |
| Foundation Grants                      | -                                   | 3,000               | 350                 | 2,650                               |
| Revolving Funds Account                | -                                   | 31,830              | 27,703              | 4,127                               |
| Cash Change                            | 200                                 | -                   | -                   | 200                                 |
| Cemetery Operating                     | 6,421                               | -                   | -                   | 6,421                               |
| Park Donation                          | 5,988                               | 1,887               | 540                 | 7,335                               |
| Cemetery Gift                          | 723                                 | -                   | -                   | 723                                 |
| Operation Pullover                     | 165                                 | 165                 | 165                 | 165                                 |
| Redevelopment                          | 12,441                              | 12,903              | 11,381              | 13,963                              |
| Marshals                               | 1,205                               | 685                 | 1,612               | 278                                 |
| Town Match Money                       | -                                   | 307,471             | 189,227             | 118,244                             |
| Tax Incremental Financing              | 31,062                              | 177,523             | 62,017              | 146,568                             |
| Depot Fund                             | 968                                 | 2,877               | 2,544               | 1,301                               |
| Cemetery Endowment                     | 56,883                              | 1,909               | 5,029               | 53,763                              |
| MCM Project                            | 36,398                              | 60,002              | 82,000              | 14,400                              |
| Payroll                                | 38                                  | 598,025             | 598,063             | -                                   |
| Wastewater Utility-Operating           | 69,325                              | 613,286             | 575,471             | 107,140                             |
| Wastewater Utility-Bond And Interest   | 141,424                             | 229,207             | 362,703             | 7,928                               |
| Wastewater Utility-Depreciation        | 17,275                              | -                   | -                   | 17,275                              |
| Wastewater Utility-Customer Deposit    | 15,340                              | 1,160               | 661                 | 15,839                              |
| Wastewater Utility-Construction        | 76,915                              | -                   | 33,134              | 43,781                              |
| Wastewater Utility-Debt Reserve        | 222,133                             | -                   | -                   | 222,133                             |
| Water Utility-Operating                | 14,709                              | 347,393             | 354,326             | 7,776                               |
| Water Utility-Bond And Interest        | 8,781                               | 97,297              | 106,077             | 1                                   |
| Water Utility-Improvement              | 761                                 | -                   | -                   | 761                                 |
| Water Utility-Customer Deposit         | 18,578                              | 1,160               | 788                 | 18,950                              |
| Water Utility-Construction             | 3,285                               | -                   | -                   | 3,285                               |
| Water Utility-Debt Reserve             | 107,368                             | -                   | 9,566               | 97,802                              |
| Totals                                 | <u>\$ 1,332,267</u>                 | <u>\$ 3,803,980</u> | <u>\$ 3,572,639</u> | <u>\$ 1,563,608</u>                 |

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

TOWN OF WATERLOO  
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, storm water, trash, 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 may 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 WATERLOO  
NOTES TO FINANCIAL STATEMENTS  
(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, and fines and fees.

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 may 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 WATERLOO  
NOTES TO FINANCIAL STATEMENTS  
(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 WATERLOO  
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 WATERLOO  
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 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 WATERLOO  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

|  | General           | Cash<br>Change | Motor<br>Vehicle<br>Highway | Local<br>Road<br>And<br>Street | Cemetery<br>Operating | Sanitation       | Law<br>Enforcement<br>Continuing<br>Education |
|--|-------------------|----------------|-----------------------------|--------------------------------|-----------------------|------------------|---|
| Cash and investments - beginning                   | \$ 43,332         | \$ 200         | \$ 111,687                  | \$ 2,735                       | \$ 6,421              | \$ 13,419        | \$ 6,219                                      |
| Receipts:  |                   |                |                             |                                |                       |                  |   |
| Taxes  | 456,487           | -              | 155,866                     | -                              | -                     | -                | -   |
| Licenses and permits                               | 1,978             | -              | 201                         | -                              | -                     | -                | 464   |
| Intergovernmental                                  | 275,588           | -              | 71,130                      | 11,323                         | -                     | -                | -   |
| Charges for services                               | 39,157            | -              | 318                         | -                              | -                     | 107,490          | 228   |
| Fines and forfeits                                 | 853               | -              | -                           | -                              | -                     | -                | 396   |
| Utility fees                                       | -                 | -              | -                           | -                              | -                     | -                | -   |
| Other receipts                                     | 6,833             | -              | 1,365                       | -                              | -                     | 687              | 2,125   |
| Total receipts                                     | <u>780,896</u>    | <u>-</u>       | <u>228,880</u>              | <u>11,323</u>                  | <u>-</u>              | <u>108,177</u>   | <u>3,213</u>                                  |
| Disbursements:                                     |                   |                |                             |                                |                       |                  |   |
| Personal services                                  | 421,663           | -              | 114,624                     | -                              | -                     | -                | -   |
| Supplies   | 50,728            | -              | 105,876                     | -                              | -                     | 1,716            | 2,395   |
| Other services and charges                         | 212,776           | -              | 34,503                      | -                              | -                     | 105,906          | 1,704   |
| Debt service - principal and interest              | -                 | -              | -                           | -                              | -                     | -                | -   |
| Capital outlay                                     | -                 | -              | 2,451                       | 10,550                         | -                     | -                | -   |
| Utility operating expenses                         | -                 | -              | -                           | -                              | -                     | -                | -   |
| Other disbursements                                | 26,710            | -              | -                           | -                              | -                     | -                | -   |
| Total disbursements                                | <u>711,877</u>    | <u>-</u>       | <u>257,454</u>              | <u>10,550</u>                  | <u>-</u>              | <u>107,622</u>   | <u>4,099</u>                                  |
| Excess (deficiency) of receipts over disbursements | <u>69,019</u>     | <u>-</u>       | <u>(28,574)</u>             | <u>773</u>                     | <u>-</u>              | <u>555</u>       | <u>(886)</u>                                  |
| Cash and investments - ending                      | <u>\$ 112,351</u> | <u>\$ 200</u>  | <u>\$ 83,113</u>            | <u>\$ 3,508</u>                | <u>\$ 6,421</u>       | <u>\$ 13,974</u> | <u>\$ 5,333</u>                               |

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

|  | Riverboat        | Park<br>Donation | Cemetery<br>Gift | Rainy<br>Day     | Levy<br>Excess  | Operation<br>Pullover | Redevelopment    |
|--|------------------|------------------|------------------|------------------|-----------------|-----------------------|------------------|
| Cash and investments - beginning                   | \$ 31,214        | \$ 5             | \$ 723           | \$ 45,476        | \$ -            | \$ -                  | \$ 15,568        |
| Receipts:  |                  |                  |                  |                  |                 |                       |                  |
| Taxes  | -                | -                | -                | -                | -               | -                     | 12,101           |
| Licenses and permits                               | -                | -                | -                | -                | -               | -                     | -                |
| Intergovernmental                                  | 13,768           | -                | -                | 32,601           | -               | -                     | 1,024            |
| Charges for services                               | -                | 603              | -                | -                | -               | 1,178                 | -                |
| Fines and forfeits                                 | -                | -                | -                | -                | -               | -                     | -                |
| Utility fees                                       | -                | -                | -                | -                | -               | -                     | -                |
| Other receipts                                     | 9,299            | 6,000            | -                | 30,178           | 1,872           | -                     | -                |
| Total receipts                                     | <u>23,067</u>    | <u>6,603</u>     | <u>-</u>         | <u>62,779</u>    | <u>1,872</u>    | <u>1,178</u>          | <u>13,125</u>    |
| Disbursements:                                     |                  |                  |                  |                  |                 |                       |                  |
| Personal services                                  | -                | -                | -                | -                | -               | -                     | 8,927            |
| Supplies   | -                | -                | -                | -                | -               | -                     | -                |
| Other services and charges                         | -                | -                | -                | -                | -               | -                     | 7,325            |
| Debt service - principal and interest              | -                | -                | -                | -                | -               | -                     | -                |
| Capital outlay                                     | 20,660           | -                | -                | 38,068           | -               | -                     | -                |
| Utility operating expenses                         | -                | -                | -                | -                | -               | -                     | -                |
| Other disbursements                                | -                | 620              | -                | 48,901           | -               | 1,013                 | -                |
| Total disbursements                                | <u>20,660</u>    | <u>620</u>       | <u>-</u>         | <u>86,969</u>    | <u>-</u>        | <u>1,013</u>          | <u>16,252</u>    |
| Excess (deficiency) of receipts over disbursements | <u>2,407</u>     | <u>5,983</u>     | <u>-</u>         | <u>(24,190)</u>  | <u>1,872</u>    | <u>165</u>            | <u>(3,127)</u>   |
| Cash and investments - ending                      | <u>\$ 33,621</u> | <u>\$ 5,988</u>  | <u>\$ 723</u>    | <u>\$ 21,286</u> | <u>\$ 1,872</u> | <u>\$ 165</u>         | <u>\$ 12,441</u> |

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

|  | Marshals        | Town<br>Match<br>Money | Tax<br>Incremental<br>Financing | Cumulative<br>Capital<br>Development | Cumulative<br>Fire | County<br>Economic<br>Development<br>Income<br>Tax |
|--|-----------------|------------------------|---------------------------------|--------------------------------------|--------------------|--|
| Cash and investments - beginning                   | \$ 2,984        | \$ 55,000              | \$ 24,913                       | \$ 16,600                            | \$ 57,395          | \$ 97,854  |
| Receipts:  |                 |                        |                                 |                                      |                    |  |
| Taxes  | -               | -                      | 32,003                          | 15,204                               | 10,136             | -  |
| Licenses and permits                               | -               | -                      | -                               | -                                    | -                  | -  |
| Intergovernmental                                  | -               | 52,768                 | -                               | 1,285                                | 856                | 86,368   |
| Charges for services                               | 1,350           | -                      | -                               | -                                    | -                  | -  |
| Fines and forfeits                                 | -               | -                      | -                               | -                                    | -                  | -  |
| Utility fees                                       | -               | -                      | -                               | -                                    | -                  | -  |
| Other receipts                                     | 1,206           | -                      | -                               | 298                                  | 51,071             | 250  |
| Total receipts                                     | <u>2,556</u>    | <u>52,768</u>          | <u>32,003</u>                   | <u>16,787</u>                        | <u>62,063</u>      | <u>86,618</u>                                      |
| Disbursements:                                     |                 |                        |                                 |                                      |                    |  |
| Personal services                                  | -               | -                      | -                               | -                                    | -                  | 18,902   |
| Supplies   | 1,470           | -                      | -                               | -                                    | -                  | -  |
| Other services and charges                         | 1,350           | -                      | -                               | -                                    | -                  | -  |
| Debt service - principal and interest              | -               | -                      | -                               | -                                    | -                  | -  |
| Capital outlay                                     | -               | -                      | 25,854                          | 27,309                               | 21,546             | 70,994   |
| Utility operating expenses                         | -               | -                      | -                               | -                                    | -                  | -  |
| Other disbursements                                | 1,515           | 107,768                | -                               | -                                    | -                  | -  |
| Total disbursements                                | <u>4,335</u>    | <u>107,768</u>         | <u>25,854</u>                   | <u>27,309</u>                        | <u>21,546</u>      | <u>89,896</u>                                      |
| Excess (deficiency) of receipts over disbursements | <u>(1,779)</u>  | <u>(55,000)</u>        | <u>6,149</u>                    | <u>(10,522)</u>                      | <u>40,517</u>      | <u>(3,278)</u>                                     |
| Cash and investments - ending                      | <u>\$ 1,205</u> | <u>\$ -</u>            | <u>\$ 31,062</u>                | <u>\$ 6,078</u>                      | <u>\$ 97,912</u>   | <u>\$ 94,576</u>                                   |

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

|  | Cumulative<br>Capital<br>Improvement | Depot<br>Fund | Cemetery<br>Endowment | MCM Project      | Payroll        | Wastewater<br>Utility<br>Operating |
|--|--------------------------------------|---------------|-----------------------|------------------|----------------|------------------------------------|
| Cash and investments - beginning                   | \$ 6,935                             | \$ -          | \$ 58,391             | \$ 21,923        | \$ 1           | \$ 45,006                          |
| Receipts:  |                                      |               |                       |                  |                |                                    |
| Taxes  | -                                    | -             | -                     | -                | -              | -                                  |
| Licenses and permits                               | -                                    | -             | -                     | -                | -              | -                                  |
| Intergovernmental                                  | 6,442                                | -             | -                     | -                | -              | -                                  |
| Charges for services                               | -                                    | -             | -                     | -                | -              | -                                  |
| Fines and forfeits                                 | -                                    | -             | -                     | -                | -              | -                                  |
| Utility fees                                       | -                                    | -             | -                     | -                | -              | 596,189                            |
| Other receipts                                     | -                                    | 3,688         | 2,992                 | 53,402           | 601,508        | 39,291                             |
| Total receipts                                     | <u>6,442</u>                         | <u>3,688</u>  | <u>2,992</u>          | <u>53,402</u>    | <u>601,508</u> | <u>635,480</u>                     |
| Disbursements:                                     |                                      |               |                       |                  |                |                                    |
| Personal services                                  | -                                    | -             | -                     | -                | -              | -                                  |
| Supplies   | -                                    | -             | -                     | -                | -              | -                                  |
| Other services and charges                         | -                                    | 335           | 4,500                 | -                | -              | -                                  |
| Debt service - principal and interest              | -                                    | -             | -                     | 22,000           | -              | -                                  |
| Capital outlay                                     | 3,120                                | 2,385         | -                     | -                | -              | 83,766                             |
| Utility operating expenses                         | -                                    | -             | -                     | -                | -              | 292,048                            |
| Other disbursements                                | -                                    | -             | -                     | 16,927           | 601,471        | 235,347                            |
| Total disbursements                                | <u>3,120</u>                         | <u>2,720</u>  | <u>4,500</u>          | <u>38,927</u>    | <u>601,471</u> | <u>611,161</u>                     |
| Excess (deficiency) of receipts over disbursements | <u>3,322</u>                         | <u>968</u>    | <u>(1,508)</u>        | <u>14,475</u>    | <u>37</u>      | <u>24,319</u>                      |
| Cash and investments - ending                      | <u>\$ 10,257</u>                     | <u>\$ 968</u> | <u>\$ 56,883</u>      | <u>\$ 36,398</u> | <u>\$ 38</u>   | <u>\$ 69,325</u>                   |

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

|  | Wastewater<br>Utility-Bond<br>And<br>Interest | Wastewater<br>Utility<br>Depreciation | Wastewater<br>Utility-Customer<br>Deposit | Wastewater<br>Utility<br>Construction | Wastewater<br>Utility-Debt<br>Reserve | Water<br>Utility<br>Operating |
|--|---|---------------------------------------|---|---------------------------------------|---------------------------------------|-------------------------------|
| Cash and investments - beginning                   | \$ 145,618                                    | \$ 2,125                              | \$ 14,447                                 | \$ 7,689                              | \$ 218,514                            | \$ 5,341                      |
| Receipts:  |   |                                       |   |                                       |                                       |                               |
| Taxes  | -   | -                                     | -   | -                                     | -                                     | -                             |
| Licenses and permits                               | -   | -                                     | -   | -                                     | -                                     | -                             |
| Intergovernmental                                  | -   | -                                     | -   | -                                     | -                                     | -                             |
| Charges for services                               | -   | -                                     | -   | -                                     | -                                     | -                             |
| Fines and forfeits                                 | -   | -                                     | -   | -                                     | -                                     | -                             |
| Utility fees                                       | -   | -                                     | -   | -                                     | -                                     | -                             |
| Other receipts                                     | <u>215,519</u>                                | <u>15,150</u>                         | <u>1,400</u>                              | <u>81,556</u>                         | <u>7,631</u>                          | <u>354,424</u>                |
| Total receipts                                     | <u>215,519</u>                                | <u>15,150</u>                         | <u>1,400</u>                              | <u>81,556</u>                         | <u>7,631</u>                          | <u>354,424</u>                |
| Disbursements:                                     |   |                                       |   |                                       |                                       |                               |
| Personal services                                  | -   | -                                     | -   | -                                     | -                                     | -                             |
| Supplies   | -   | -                                     | -   | -                                     | -                                     | -                             |
| Other services and charges                         | -   | -                                     | -   | -                                     | -                                     | -                             |
| Debt service - principal and interest              | 156,000                                       | -                                     | -   | -                                     | -                                     | -                             |
| Capital outlay                                     | -   | -                                     | -   | -                                     | -                                     | 23,354                        |
| Utility operating expenses                         | -   | -                                     | 67  | -                                     | -                                     | 165,422                       |
| Other disbursements                                | <u>63,713</u>                                 | <u>-</u>                              | <u>440</u>                                | <u>12,330</u>                         | <u>4,012</u>                          | <u>156,280</u>                |
| Total disbursements                                | <u>219,713</u>                                | <u>-</u>                              | <u>507</u>                                | <u>12,330</u>                         | <u>4,012</u>                          | <u>345,056</u>                |
| Excess (deficiency) of receipts over disbursements | <u>(4,194)</u>                                | <u>15,150</u>                         | <u>893</u>                                | <u>69,226</u>                         | <u>3,619</u>                          | <u>9,368</u>                  |
| Cash and investments - ending                      | <u>\$ 141,424</u>                             | <u>\$ 17,275</u>                      | <u>\$ 15,340</u>                          | <u>\$ 76,915</u>                      | <u>\$ 222,133</u>                     | <u>\$ 14,709</u>              |

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

|  | Water<br>Utility-Bond<br>And<br>Interest | Water<br>Utility<br>Improvement | Water<br>Utility-Customer<br>Deposit | Water<br>Utility<br>Construction | Water<br>Utility-Debt<br>Reserve | Totals       |
|--|--|---------------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------|
| Cash and investments - beginning                   | \$ 13,021                                | \$ 1,391                        | \$ 17,955                            | \$ 6,975                         | \$ 109,066                       | \$ 1,206,143 |
| Receipts:  |  |                                 |                                      |                                  |                                  |              |
| Taxes  | -  | -                               | -                                    | -                                | -                                | 681,797      |
| Licenses and permits                               | -  | -                               | -                                    | -                                | -                                | 2,643        |
| Intergovernmental                                  | -  | -                               | -                                    | -                                | -                                | 553,153      |
| Charges for services                               | -  | -                               | -                                    | -                                | -                                | 150,324      |
| Fines and forfeits                                 | -  | -                               | -                                    | -                                | -                                | 1,249        |
| Utility fees                                       | -  | -                               | -                                    | -                                | -                                | 596,189      |
| Other receipts                                     | 99,040                                   | 6,530                           | 1,400                                | -                                | 5,659                            | 1,600,374    |
| Total receipts                                     | 99,040                                   | 6,530                           | 1,400                                | -                                | 5,659                            | 3,585,729    |
| Disbursements:                                     |  |                                 |                                      |                                  |                                  |              |
| Personal services                                  | -  | -                               | -                                    | -                                | -                                | 564,116      |
| Supplies   | -  | -                               | -                                    | -                                | -                                | 162,185      |
| Other services and charges                         | -  | -                               | -                                    | -                                | -                                | 368,399      |
| Debt service - principal and interest              | 103,280                                  | -                               | -                                    | -                                | -                                | 281,280      |
| Capital outlay                                     | -  | -                               | -                                    | -                                | -                                | 330,057      |
| Utility operating expenses                         | -  | -                               | 777                                  | -                                | -                                | 458,314      |
| Other disbursements                                | -  | 7,160                           | -                                    | 3,690                            | 7,357                            | 1,295,254    |
| Total disbursements                                | 103,280                                  | 7,160                           | 777                                  | 3,690                            | 7,357                            | 3,459,605    |
| Excess (deficiency) of receipts over disbursements | (4,240)                                  | (630)                           | 623                                  | (3,690)                          | (1,698)                          | 126,124      |
| Cash and investments - ending                      | \$ 8,781                                 | \$ 761                          | \$ 18,578                            | \$ 3,285                         | \$ 107,368                       | \$ 1,332,267 |

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

|  | General           | Motor<br>Vehicle<br>Highway | Local<br>Road<br>And<br>Street | Sanitation       | Law<br>Enforcement<br>Continuing<br>Education | Riverboat        | Rainy<br>Day     |
|--|-------------------|-----------------------------|--------------------------------|------------------|---|------------------|------------------|
| Cash and investments - beginning                   | \$ 112,351        | \$ 83,113                   | \$ 3,508                       | \$ 13,974        | \$ 5,333                                      | \$ 33,621        | \$ 21,286        |
| Receipts:  |                   |                             |                                |                  |   |                  |                  |
| Taxes  | 644,177           | 159,993                     | -                              | -                | -   | -                | -                |
| Licenses and permits                               | 1,100             | -                           | -                              | -                | 415   | -                | -                |
| Intergovernmental                                  | 93,755            | 71,780                      | 11,037                         | -                | -   | 13,768           | -                |
| Charges for services                               | 32,099            | 300                         | -                              | 108,968          | -   | -                | -                |
| Fines and forfeits                                 | 75                | -                           | -                              | -                | 2,691   | -                | -                |
| Utility fees                                       | -                 | -                           | -                              | -                | -   | -                | -                |
| Other receipts                                     | 14,725            | 964                         | -                              | -                | -   | 13,700           | 20,000           |
| Total receipts                                     | <u>785,931</u>    | <u>233,037</u>              | <u>11,037</u>                  | <u>108,968</u>   | <u>3,106</u>                                  | <u>27,468</u>    | <u>20,000</u>    |
| Disbursements:                                     |                   |                             |                                |                  |   |                  |                  |
| Personal services                                  | 475,920           | 101,385                     | -                              | -                | -   | -                | -                |
| Supplies   | 47,625            | 94,542                      | -                              | 644              | 640   | -                | -                |
| Other services and charges                         | 164,434           | 11,622                      | -                              | 108,234          | 910   | -                | -                |
| Debt service - principal and interest              | 12,873            | -                           | -                              | -                | -   | -                | -                |
| Capital outlay                                     | 3,200             | 9,261                       | -                              | -                | -   | -                | -                |
| Utility operating expenses                         | -                 | -                           | -                              | -                | -   | -                | -                |
| Other disbursements                                | 8,839             | -                           | -                              | -                | -   | -                | -                |
| Total disbursements                                | <u>712,891</u>    | <u>216,810</u>              | <u>-</u>                       | <u>108,878</u>   | <u>1,550</u>                                  | <u>-</u>         | <u>-</u>         |
| Excess (deficiency) of receipts over disbursements | <u>73,040</u>     | <u>16,227</u>               | <u>11,037</u>                  | <u>90</u>        | <u>1,556</u>                                  | <u>27,468</u>    | <u>20,000</u>    |
| Cash and investments - ending                      | <u>\$ 185,391</u> | <u>\$ 99,340</u>            | <u>\$ 14,545</u>               | <u>\$ 14,064</u> | <u>\$ 6,889</u>                               | <u>\$ 61,089</u> | <u>\$ 41,286</u> |

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

|  | Levy<br>Excess | Cumulative<br>Capital<br>Development | Cumulative<br>Fire | County<br>Economic<br>Development<br>Income<br>Tax | Cumulative<br>Capital<br>Improvement | Foundation<br>Grants | Revolving<br>Funds<br>Account |
|--|----------------|--------------------------------------|--------------------|--|--------------------------------------|----------------------|-------------------------------|
| Cash and investments - beginning                   | \$ 1,872       | \$ 6,078                             | \$ 97,912          | \$ 94,576  | \$ 10,257                            | \$ -                 | \$ -                          |
| Receipts:  |                |                                      |                    |  |                                      |                      |                               |
| Taxes  | -              | 15,327                               | 10,218             | -  | -                                    | -                    | -                             |
| Licenses and permits                               | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Intergovernmental                                  | -              | 1,307                                | 871                | 78,048   | 6,318                                | -                    | -                             |
| Charges for services                               | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Fines and forfeits                                 | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Utility fees                                       | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Other receipts                                     | -              | 14,253                               | -                  | 12   | 299                                  | 3,000                | 31,830                        |
| Total receipts                                     | -              | 30,887                               | 11,089             | 78,060   | 6,617                                | 3,000                | 31,830                        |
| Disbursements:                                     |                |                                      |                    |  |                                      |                      |                               |
| Personal services                                  | -              | -                                    | -                  | 18,239   | -                                    | -                    | -                             |
| Supplies   | -              | -                                    | -                  | -  | -                                    | 350                  | 3,781                         |
| Other services and charges                         | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Debt service - principal and interest              | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Capital outlay                                     | -              | 10,560                               | 17,573             | 60,273   | 2,508                                | -                    | 23,653                        |
| Utility operating expenses                         | -              | -                                    | -                  | -  | -                                    | -                    | -                             |
| Other disbursements                                | -              | -                                    | -                  | -  | -                                    | -                    | 269                           |
| Total disbursements                                | -              | 10,560                               | 17,573             | 78,512   | 2,508                                | 350                  | 27,703                        |
| Excess (deficiency) of receipts over disbursements | -              | 20,327                               | (6,484)            | (452)  | 4,109                                | 2,650                | 4,127                         |
| Cash and investments - ending                      | \$ 1,872       | \$ 26,405                            | \$ 91,428          | \$ 94,124  | \$ 14,366                            | \$ 2,650             | \$ 4,127                      |

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

|  | Cash<br>Change | Cemetery<br>Operating | Park<br>Donation | Cemetery<br>Gift | Operation<br>Pullover | Redevelopment | Marshals |
|--|----------------|-----------------------|------------------|------------------|-----------------------|---------------|----------|
| Cash and investments - beginning                   | \$ 200         | \$ 6,421              | \$ 5,988         | \$ 723           | \$ 165                | \$ 12,441     | \$ 1,205 |
| Receipts:  |                |                       |                  |                  |                       |               |          |
| Taxes  | -              | -                     | -                | -                | -                     | 11,886        | -        |
| Licenses and permits                               | -              | -                     | -                | -                | -                     | -             | -        |
| Intergovernmental                                  | -              | -                     | -                | -                | -                     | 1,017         | -        |
| Charges for services                               | -              | -                     | 1,887            | -                | 165                   | -             | 25       |
| Fines and forfeits                                 | -              | -                     | -                | -                | -                     | -             | -        |
| Utility fees                                       | -              | -                     | -                | -                | -                     | -             | -        |
| Other receipts                                     | -              | -                     | -                | -                | -                     | -             | 660      |
| Total receipts                                     | -              | -                     | 1,887            | -                | 165                   | 12,903        | 685      |
| Disbursements:                                     |                |                       |                  |                  |                       |               |          |
| Personal services                                  | -              | -                     | -                | -                | 165                   | 9,150         | -        |
| Supplies   | -              | -                     | -                | -                | -                     | -             | 1,612    |
| Other services and charges                         | -              | -                     | -                | -                | -                     | 2,231         | -        |
| Debt service - principal and interest              | -              | -                     | -                | -                | -                     | -             | -        |
| Capital outlay                                     | -              | -                     | -                | -                | -                     | -             | -        |
| Utility operating expenses                         | -              | -                     | -                | -                | -                     | -             | -        |
| Other disbursements                                | -              | -                     | 540              | -                | -                     | -             | -        |
| Total disbursements                                | -              | -                     | 540              | -                | 165                   | 11,381        | 1,612    |
| Excess (deficiency) of receipts over disbursements | -              | -                     | 1,347            | -                | -                     | 1,522         | (927)    |
| Cash and investments - ending                      | \$ 200         | \$ 6,421              | \$ 7,335         | \$ 723           | \$ 165                | \$ 13,963     | \$ 278   |

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

|  | Town<br>Match<br>Money | Tax<br>Incremental<br>Financing | Depot<br>Fund   | Cemetery<br>Endowment | MCM<br>Project   | Payroll        | Wastewater<br>Utility-Operating |
|--|------------------------|---------------------------------|-----------------|-----------------------|------------------|----------------|---------------------------------|
| Cash and investments - beginning                   | \$ -                   | \$ 31,062                       | \$ 968          | \$ 56,883             | \$ 36,398        | \$ 38          | \$ 69,325                       |
| Receipts:  |                        |                                 |                 |                       |                  |                |                                 |
| Taxes  | -                      | 177,523                         | -               | -                     | -                | -              | -                               |
| Licenses and permits                               | -                      | -                               | -               | -                     | -                | -              | -                               |
| Intergovernmental                                  | -                      | -                               | -               | -                     | -                | -              | -                               |
| Charges for services                               | -                      | -                               | 2,752           | 1,606                 | -                | -              | -                               |
| Fines and forfeits                                 | -                      | -                               | -               | -                     | -                | -              | -                               |
| Utility fees                                       | -                      | -                               | -               | -                     | -                | -              | 592,187                         |
| Other receipts                                     | 307,471                | -                               | 125             | 303                   | 60,002           | 598,025        | 21,099                          |
| Total receipts                                     | <u>307,471</u>         | <u>177,523</u>                  | <u>2,877</u>    | <u>1,909</u>          | <u>60,002</u>    | <u>598,025</u> | <u>613,286</u>                  |
| Disbursements:                                     |                        |                                 |                 |                       |                  |                |                                 |
| Personal services                                  | -                      | -                               | -               | -                     | -                | 598,063        | -                               |
| Supplies   | -                      | -                               | -               | -                     | -                | -              | -                               |
| Other services and charges                         | 189,227                | -                               | 1,409           | -                     | -                | -              | -                               |
| Debt service - principal and interest              | -                      | -                               | -               | -                     | 82,000           | -              | -                               |
| Capital outlay                                     | -                      | 62,017                          | -               | 5,029                 | -                | -              | 16,283                          |
| Utility operating expenses                         | -                      | -                               | -               | -                     | -                | -              | 338,826                         |
| Other disbursements                                | -                      | -                               | 1,135           | -                     | -                | -              | 220,362                         |
| Total disbursements                                | <u>189,227</u>         | <u>62,017</u>                   | <u>2,544</u>    | <u>5,029</u>          | <u>82,000</u>    | <u>598,063</u> | <u>575,471</u>                  |
| Excess (deficiency) of receipts over disbursements | <u>118,244</u>         | <u>115,506</u>                  | <u>333</u>      | <u>(3,120)</u>        | <u>(21,998)</u>  | <u>(38)</u>    | <u>37,815</u>                   |
| Cash and investments - ending                      | <u>\$ 118,244</u>      | <u>\$ 146,568</u>               | <u>\$ 1,301</u> | <u>\$ 53,763</u>      | <u>\$ 14,400</u> | <u>\$ -</u>    | <u>\$ 107,140</u>               |

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

|  | Wastewater<br>Utility-Bond<br>And<br>Interest | Wastewater<br>Utility<br>Depreciation | Wastewater<br>Utility-Customer<br>Deposit | Wastewater<br>Utility<br>Construction | Wastewater<br>Utility-Debt<br>Reserve | Water<br>Utility-Operating |
|--|---|---------------------------------------|---|---------------------------------------|---------------------------------------|----------------------------|
| Cash and investments - beginning                   | \$ 141,424                                    | \$ 17,275                             | \$ 15,340                                 | \$ 76,915                             | \$ 222,133                            | \$ 14,709                  |
| Receipts:  |   |                                       |   |                                       |                                       |                            |
| Taxes  | -   | -                                     | -   | -                                     | -                                     | -                          |
| Licenses and permits                               | -   | -                                     | -   | -                                     | -                                     | -                          |
| Intergovernmental                                  | -   | -                                     | -   | -                                     | -                                     | -                          |
| Charges for services                               | -   | -                                     | -   | -                                     | -                                     | -                          |
| Fines and forfeits                                 | -   | -                                     | -   | -                                     | -                                     | -                          |
| Utility fees                                       | -   | -                                     | -   | -                                     | -                                     | 338,455                    |
| Other receipts                                     | 229,207                                       | -                                     | 1,160                                     | -                                     | -                                     | 8,938                      |
| Total receipts                                     | 229,207                                       | -                                     | 1,160                                     | -                                     | -                                     | 347,393                    |
| Disbursements:                                     |   |                                       |   |                                       |                                       |                            |
| Personal services                                  | -   | -                                     | -   | -                                     | -                                     | -                          |
| Supplies   | -   | -                                     | -   | -                                     | -                                     | -                          |
| Other services and charges                         | -   | -                                     | -   | -                                     | -                                     | -                          |
| Debt service - principal and interest              | 362,203                                       | -                                     | -   | -                                     | -                                     | -                          |
| Capital outlay                                     | -   | -                                     | -   | -                                     | -                                     | 14,841                     |
| Utility operating expenses                         | 500   | -                                     | -   | 33,134                                | -                                     | 209,336                    |
| Other disbursements                                | -   | -                                     | 661                                       | -                                     | -                                     | 130,149                    |
| Total disbursements                                | 362,703                                       | -                                     | 661                                       | 33,134                                | -                                     | 354,326                    |
| Excess (deficiency) of receipts over disbursements | (133,496)                                     | -                                     | 499                                       | (33,134)                              | -                                     | (6,933)                    |
| Cash and investments - ending                      | \$ 7,928                                      | \$ 17,275                             | \$ 15,839                                 | \$ 43,781                             | \$ 222,133                            | \$ 7,776                   |

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

|  | Water<br>Utility-Bond<br>And<br>Interest | Water<br>Utility<br>Improvement | Water<br>Utility-Customer<br>Deposit | Water<br>Utility<br>Construction | Water<br>Utility-Debt<br>Reserve | Totals       |
|--|--|---------------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------|
| Cash and investments - beginning                   | \$ 8,781                                 | \$ 761                          | \$ 18,578                            | \$ 3,285                         | \$ 107,368                       | \$ 1,332,267 |
| Receipts:  |  |                                 |                                      |                                  |                                  |              |
| Taxes  | -  | -                               | -                                    | -                                | -                                | 1,019,124    |
| Licenses and permits                               | -  | -                               | -                                    | -                                | -                                | 1,515        |
| Intergovernmental                                  | -  | -                               | -                                    | -                                | -                                | 277,901      |
| Charges for services                               | -  | -                               | -                                    | -                                | -                                | 147,802      |
| Fines and forfeits                                 | -  | -                               | -                                    | -                                | -                                | 2,766        |
| Utility fees                                       | -  | -                               | -                                    | -                                | -                                | 930,642      |
| Other receipts                                     | 97,297                                   | -                               | 1,160                                | -                                | -                                | 1,424,230    |
| Total receipts                                     | 97,297                                   | -                               | 1,160                                | -                                | -                                | 3,803,980    |
| Disbursements:                                     |  |                                 |                                      |                                  |                                  |              |
| Personal services                                  | -  | -                               | -                                    | -                                | -                                | 1,202,922    |
| Supplies   | -  | -                               | -                                    | -                                | -                                | 149,194      |
| Other services and charges                         | -  | -                               | -                                    | -                                | -                                | 478,067      |
| Debt service - principal and interest              | 105,378                                  | -                               | -                                    | -                                | 9,566                            | 572,020      |
| Capital outlay                                     | -  | -                               | -                                    | -                                | -                                | 225,198      |
| Utility operating expenses                         | 699                                      | -                               | -                                    | -                                | -                                | 582,495      |
| Other disbursements                                | -  | -                               | 788                                  | -                                | -                                | 362,743      |
| Total disbursements                                | 106,077                                  | -                               | 788                                  | -                                | 9,566                            | 3,572,639    |
| Excess (deficiency) of receipts over disbursements | (8,780)                                  | -                               | 372                                  | -                                | (9,566)                          | 231,341      |
| Cash and investments - ending                      | \$ 1                                     | \$ 761                          | \$ 18,950                            | \$ 3,285                         | \$ 97,802                        | \$ 1,563,608 |

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

| Lessor                                  | Purpose  | Annual<br>Lease<br>Payment     | Lease<br>Beginning<br>Date                          | Lease<br>Ending<br>Date |
|---|--|--------------------------------|---|-------------------------|
| Water:<br>Municipal Capital Corporation | Water Meter Purchase                             | \$ <u>21,867</u>               | 07-15-11  | 04-15-16                |
| Type                                    | Description of Debt<br>Purpose                   | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |                         |
| Governmental activities:                |  |                                |   |                         |
| Revenue bonds                           | Economic Development/Water/Wastewater Extensions | \$ 975,000                     | \$ 120,000  |                         |
| Notes and loans payable                 | Depot Restoration                                | 27,500                         | 11,000  |                         |
| Notes and loans payable                 | Fire Station Building                            | <u>24,499</u>                  | <u>12,873</u>                                       |                         |
| Total governmental activities           |  | <u>1,026,999</u>               | <u>143,873</u>                                      |                         |
| Wastewater:                             |  |                                |   |                         |
| General obligation bonds                | Wastewater Improvements                          | 1,003,000                      | 163,105   |                         |
| General obligation bonds                | Wastewater Improvements                          | <u>330,000</u>                 | <u>54,183</u>                                       |                         |
| Total Wastewater                        |  | <u>1,333,000</u>               | <u>217,288</u>                                      |                         |
| Water:                                  |  |                                |   |                         |
| General obligation bonds                | Water Improvements                               | 520,000                        | 72,390  |                         |
| General obligation bonds                | Water Improvements                               | <u>425,000</u>                 | <u>30,613</u>                                       |                         |
| Total Water                             |  | <u>945,000</u>                 | <u>103,003</u>                                      |                         |
| Totals                                  |  | <u>\$ 3,304,999</u>            | <u>\$ 464,164</u>                                   |                         |

TOWN OF WATERLOO  
EXAMINATION RESULTS AND COMMENTS

***CAPITAL ASSET RECORDS***

The Town did not maintain capital asset records.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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)

***ORDINANCES AND RESOLUTIONS***

The Town passed Resolution 10-05 concerning repayment of temporary loans to the Water Utility from Cumulative Fire Fund (\$24,700), Rainy Day Fund (\$10,000), County Economic Development Income Tax (\$29,740), and Riverboat Fund (\$10,000) which were to be paid back by December 31, 2011. However, the Town did not repay \$4,000 to Cumulative Fire Fund and \$29,740 to the County Economic Development Income Tax.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***LOANS BETWEEN FUNDS***

In 2010, a total of \$26,750 was disbursed from the Rainy Day Fund for Water Tower Painting, which included \$10,000 noted in Resolution 10-05. In 2011, \$20,000 was paid back to the Rainy Day Fund leaving a balance of \$6,750.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs; (4) The amount transferred must be returned to the other fund at the end of the prescribed period . . .

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
  - (A) A statement that the fiscal body has determined that an emergency exists.
  - (B) A brief description of the grounds for the emergency.
  - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and department of local government finance."

TOWN OF WATERLOO  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***CUSTOMER DEPOSIT REGISTER***

As reported in prior Reports B25799, B30221, and B38044 the detailed customer deposit register (Meter Deposit Report) does not reconcile with the customer deposit cash amount recorded on the Fund Report. Also, the difference between the Meter Deposit Report and the Fund Report has not stayed constant from year to year.

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

***PENALTIES, INTEREST, AND OTHER CHARGES***

November 11, 2011 penalties of \$168.75 were paid to the Indiana Department of Revenue on Utility Tax Receipts for the period ending December 31, 2010. Also, August 6, 2012 penalties of \$162.29 were paid to the Indiana Department of Revenue on Utility Tax Receipts for the period ending December 31, 2011.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***CREATING NEW FUNDS***

During the examination period the Town created three new funds; Depot Fund, Foundation Grants Fund, and Revolving Funds Account. An ordinance was not presented for examination creating these funds.

We feel the powers granted by various statutes authorize the common council of a city or the town council of a town to create, by ordinance as many funds as they feel necessary to operate their particular city or town.

The enabling ordinance should provide various types of information:

- (1) The ordinance should clearly indicate the type or types of revenue that is to go into the new fund.
- (2) The ordinance should list the purpose or purposes for which expenditures can be made from the new fund.
- (3) The ordinance should establish the life of the new fund and indicate if the fund balance is non reverting at year end or perpetual until terminated either by the terms of the current ordinance or if another subsequent ordinance must be enacted.

TOWN OF WATERLOO  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (4) The ordinance should provide guidance as to disposition of the fund balance on termination of the fund.
- (5) The ordinance should include any other terms or conditions the city or town attorney deems necessary. (Accounting and Compliance Guidelines Manual for Cities and Towns, Chapter 61)

**CONDITION OF RECORDS**

All of the Town's transactions were not posted to the Town's records from June 30, 2012 to current date and subsequently record balances were not reconciled to depository balances during this period of time.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**ANNUAL REPORTS**

The Town's 2010 Annual Report section Financial Assistance to Non-Governmental Entities did not include all assistance. This same section for 2011 was not completed at all.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**REPAYMENTS AND TRANSFERS**

During the review of local distributions, it was noted that a \$32,121.07 TIF Distribution on June 2, 2010, was posted to the General Fund. Also on February 9, 2010, an Excess CEDIT distribution of \$10,613.20 was posted to CEDIT and should have been posted to the Rainy Day Fund.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 6-3.5-7-17.3 Distribution of excess balance; use states in part ". . . (b) A supplemental distribution described in subsection(a) must be: . . . (2) allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund established under IC 36-1-8-5.1."

TOWN OF WATERLOO  
EXIT CONFERENCE

The contents of this report were discussed on October 1, 2012, with Renata Ford, Clerk-Treasurer; Candice Surber, President of the Town Council; and William Hubartt, Council member. The Official Response has been made a part of this report and may be found on page 31.

## ***Incorporated Town Of Waterloo***

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Office of the Clerk - Treasurer

P.O. Box 96  
280 North Wayne Street  
Waterloo, Indiana 46793  
Phone: (260) 837-7428  
Fax: (260) 837-3605

October 2, 2012

State Board of Accounts  
Bill Akey  
302 W. Washington St.  
Room E 418  
Indianapolis IN 46204

RE: OFFICIAL RESPONSE / 2010/2011 Audit

Mr. Akey;

I would like to officially respond to my 2010/2011 SBA audit.

### **CAPITAL ASSET RECORD**

I do maintain a capital asset record updated to 12/31/2011. However, at the time of the audit I had not totaled all department monies.

### **ORDINANCES/RESOLUTIONS and LOANS BETWEEN FUNDS**

These comments I cannot correct as long as the water utility remains in financial trouble.

### **CONDITION OF RECORDS**

This comment was corrected prior to the October 1<sup>st</sup> exit conference.

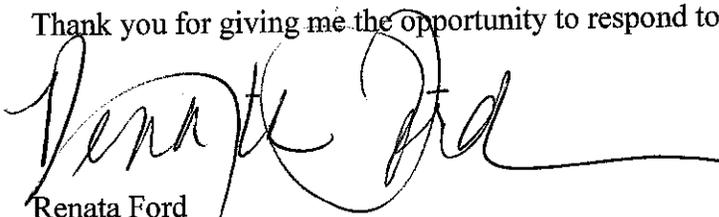
### **ANNUAL REPORTS**

I would have filed a Non-Governmental Entities Report in the 2011 Annual Report if at the time of entry that would have been an option on the Gateway software but on the list of items I was required to file that was not on my list.

### **REPAYMENTS/TRANSFERS**

This comment was correct prior to the October 1<sup>st</sup> exit conference.

Thank you for giving me the opportunity to respond to my audit.



Renata Ford  
Waterloo Clerk/Treasurer