

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF WESTVILLE

LAPORTE COUNTY, INDIANA

January 1, 2012 to December 31, 2013



**FILED**  
12/12/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Rotzien	01-01-12 to 12-31-15
President of the Town Council	Michael Albert	01-01-12 to 12-31-14
Superintendent of Utilities	Bart Frank	01-01-12 to 12-31-14



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statement of the Town of Westville (Town), for the period of January 1, 2012 to December 31, 2013. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement 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 statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2012 to December 31, 2013.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2012 to December 31, 2013, 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 statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

October 30, 2014

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## FINANCIAL STATEMENT

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

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TOWN OF WESTVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL	\$ 690,863	\$ 491,047	\$ 507,069	\$ 674,841	\$ 433,444	\$ 535,179	\$ 573,106
MOTOR VEHICLE HIGHWAY	265,956	149,156	172,627	242,485	208,176	195,753	254,908
LOCAL ROAD & STREET	338,133	44,743	46,867	336,009	45,598	129,193	252,414
TRASH & GARBAGE PICKUP	49,626	56,015	67,924	37,717	71,529	70,303	38,943
POL CONT ED	10,317	4,111	2,897	11,531	6,326	3,472	14,385
PARK & RECREATION	4,315	112,256	19,475	97,096	29,646	25,386	101,356
CEDIT	123,251	42,938	13,014	153,175	59,392	10,231	202,336
MAJOR MOVES CONST	1,190,560	513,541	467,857	1,236,244	37,246	573,942	699,548
CUM CAP IMP - CIG TAX	16,243	15,524	15,000	16,767	15,712	15,000	17,479
CUM CAP DEVELOPMENT	81,806	19,044	-	100,850	11,255	19,385	92,720
POLICE DONATION	-	-	-	-	100	25	75
PRO OUR CHILD DONATION	1,421	-	-	1,421	-	-	1,421
NEVA KLINE	11,608	202	-	11,810	202	-	12,012
BIRCHFIELD MEMORIAL	4,848	733	2,105	3,476	554	3,600	430
PAYROLL	-	593,554	593,554	-	591,184	591,184	-
SEWAGE OPERATING	106,086	483,660	505,362	84,384	492,667	394,752	182,299
SEWAGE METER DEPOSIT	31,648	4,445	4,010	32,083	5,566	5,145	32,504
SEWAGE MAINTENANCE	62,914	22,807	22,082	63,639	13,689	33,265	44,063
WATER OPERATING	595,863	545,084	814,031	326,916	533,177	526,075	334,018
WATER METER DEPOSIT	31,226	4,444	4,154	31,516	5,565	5,174	31,907
WATER MAINTENANCE	154,683	23,947	48,525	130,105	24,271	-	154,376
WATER BOND & INTEREST	59,055	118,780	117,600	60,235	118,781	118,150	60,866
WATER DEBIT SERVICE	119,535	-	-	119,535	-	-	119,535
Totals	<u>\$ 3,949,957</u>	<u>\$ 3,246,031</u>	<u>\$ 3,424,153</u>	<u>\$ 3,771,835</u>	<u>\$ 2,704,080</u>	<u>\$ 3,255,214</u>	<u>\$ 3,220,701</u>

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

TOWN OF WESTVILLE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 statement. The aggregate receipts include the following sources:

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

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

TOWN OF WESTVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

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 statement. The aggregate disbursements include the following uses:

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

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

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

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

TOWN OF WESTVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF WESTVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. *Deposits and Investments***

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

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. *Risk Management***

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

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

**Note 6. *Subsequent Events***

In 2014, the Town began constructing a new wastewater treatment plant with estimated costs totaling \$7.8 million, of which \$6.6 million will be financed by a State Revolving Loan.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 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 statement contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	TRASH & GARBAGE PICKUP	POL CONT ED	PARK & RECREATION	CEDIT	MAJOR MOVES CONST
Cash and investments - beginning	\$ 690,863	\$ 265,956	\$ 338,133	\$ 49,626	\$ 10,317	\$ 4,315	\$ 123,251	\$ 1,190,560
Receipts:								
Taxes	252,632	-	-	-	-	96,340	-	-
Licenses and permits	7,207	-	-	-	1,360	-	-	-
Intergovernmental	209,303	149,156	44,743	-	-	7,850	42,938	-
Charges for services	-	-	-	55,955	258	5,200	-	511,822
Fines and forfeits	747	-	-	-	2,468	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	21,158	-	-	60	25	2,866	-	1,719
Total receipts	<u>491,047</u>	<u>149,156</u>	<u>44,743</u>	<u>56,015</u>	<u>4,111</u>	<u>112,256</u>	<u>42,938</u>	<u>513,541</u>
Disbursements:								
Personal services	296,779	115,091	-	-	-	2,293	-	-
Supplies	23,569	20,305	3,143	-	-	1,162	-	-
Other services and charges	185,524	35,769	43,724	67,860	2,897	14,874	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	882	1,462	-	-	-	196	13,014	467,857
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	315	-	-	64	-	950	-	-
Total disbursements	<u>507,069</u>	<u>172,627</u>	<u>46,867</u>	<u>67,924</u>	<u>2,897</u>	<u>19,475</u>	<u>13,014</u>	<u>467,857</u>
Excess (deficiency) of receipts over disbursements	<u>(16,022)</u>	<u>(23,471)</u>	<u>(2,124)</u>	<u>(11,909)</u>	<u>1,214</u>	<u>92,781</u>	<u>29,924</u>	<u>45,684</u>
Cash and investments - ending	<u>\$ 674,841</u>	<u>\$ 242,485</u>	<u>\$ 336,009</u>	<u>\$ 37,717</u>	<u>\$ 11,531</u>	<u>\$ 97,096</u>	<u>\$ 153,175</u>	<u>\$ 1,236,244</u>



TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	POLICE DONATION	PRO OUR CHILD DONATION	NEVA KLINE	BIRCHFIELD MEMORIAL	PAYROLL	SEWAGE OPERATING
Cash and investments - beginning	\$ 16,243	\$ 81,806	\$ -	\$ 1,421	\$ 11,608	\$ 4,848	\$ -	\$ 106,086
Receipts:								
Taxes	-	15,663	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	15,524	3,381	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	469,506
Penalties	-	-	-	-	-	-	-	4,237
Other receipts	-	-	-	-	202	733	593,554	9,917
Total receipts	<u>15,524</u>	<u>19,044</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>733</u>	<u>593,554</u>	<u>483,660</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	141,853
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	18,704
Debt service - principal and interest	-	-	-	-	-	-	-	6,800
Capital outlay	-	-	-	-	-	2,105	-	882
Utility operating expenses	-	-	-	-	-	-	-	314,203
Other disbursements	15,000	-	-	-	-	-	593,554	22,920
Total disbursements	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,105</u>	<u>593,554</u>	<u>505,362</u>
Excess (deficiency) of receipts over disbursements	<u>524</u>	<u>19,044</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>(1,372)</u>	<u>-</u>	<u>(21,702)</u>
Cash and investments - ending	<u>\$ 16,767</u>	<u>\$ 100,850</u>	<u>\$ -</u>	<u>\$ 1,421</u>	<u>\$ 11,810</u>	<u>\$ 3,476</u>	<u>\$ -</u>	<u>\$ 84,384</u>

TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	SEWAGE METER DEPOSIT	SEWAGE MAINTENANCE	WATER OPERATING	WATER METER DEPOSIT	WATER MAINTENANCE	WATER BOND & INTEREST	WATER DEBIT SERVICE	Totals
Cash and investments - beginning	\$ 31,648	\$ 62,914	\$ 595,863	\$ 31,226	\$ 154,683	\$ 59,055	\$ 119,535	\$ 3,949,957
Receipts:								
Taxes	-	-	-	-	-	-	-	364,635
Licenses and permits	-	-	-	-	-	-	-	8,567
Intergovernmental	-	-	-	-	-	-	-	472,895
Charges for services	-	-	-	-	-	-	-	573,235
Fines and forfeits	-	-	-	-	-	-	-	3,215
Utility fees	4,320	-	496,756	4,320	-	-	-	974,902
Penalties	-	-	6,416	-	-	-	-	10,653
Other receipts	125	22,807	41,912	124	23,947	118,780	-	837,929
Total receipts	<u>4,445</u>	<u>22,807</u>	<u>545,084</u>	<u>4,444</u>	<u>23,947</u>	<u>118,780</u>	<u>-</u>	<u>3,246,031</u>
Disbursements:								
Personal services	-	-	118,968	-	-	-	-	674,984
Supplies	-	-	-	-	-	-	-	48,179
Other services and charges	-	-	19,278	-	-	-	-	388,630
Debt service - principal and interest	-	-	-	-	-	117,600	-	124,400
Capital outlay	-	22,082	237,457	-	48,525	-	-	794,462
Utility operating expenses	3,880	-	295,643	4,025	-	-	-	617,751
Other disbursements	130	-	142,685	129	-	-	-	775,747
Total disbursements	<u>4,010</u>	<u>22,082</u>	<u>814,031</u>	<u>4,154</u>	<u>48,525</u>	<u>117,600</u>	<u>-</u>	<u>3,424,153</u>
Excess (deficiency) of receipts over disbursements	<u>435</u>	<u>725</u>	<u>(268,947)</u>	<u>290</u>	<u>(24,578)</u>	<u>1,180</u>	<u>-</u>	<u>(178,122)</u>
Cash and investments - ending	<u>\$ 32,083</u>	<u>\$ 63,639</u>	<u>\$ 326,916</u>	<u>\$ 31,516</u>	<u>\$ 130,105</u>	<u>\$ 60,235</u>	<u>\$ 119,535</u>	<u>\$ 3,771,835</u>

TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	TRASH & GARBAGE PICKUP	POL CONT ED	PARK & RECREATION	CEDIT	MAJOR MOVES CONST
Cash and investments - beginning	\$ 674,841	\$ 242,485	\$ 336,009	\$ 37,717	\$ 11,531	\$ 97,096	\$ 153,175	\$ 1,236,244
Receipts:								
Taxes	220,655	36,454	-	-	-	21,534	-	-
Licenses and permits	12,870	-	-	-	1,270	-	-	-
Intergovernmental	176,962	171,722	45,598	-	-	2,012	55,580	-
Charges for services	-	-	-	71,479	247	4,800	-	36,112
Fines and forfeits	70	-	-	-	4,809	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	22,887	-	-	50	-	1,300	3,812	1,134
Total receipts	<u>433,444</u>	<u>208,176</u>	<u>45,598</u>	<u>71,529</u>	<u>6,326</u>	<u>29,646</u>	<u>59,392</u>	<u>37,246</u>
Disbursements:								
Personal services	307,445	124,158	-	-	-	2,316	-	-
Supplies	19,706	16,155	5,061	48	-	1,082	-	-
Other services and charges	196,146	43,963	124,132	70,255	3,472	14,388	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	11,534	11,477	-	-	-	7,000	10,231	573,942
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	348	-	-	-	-	600	-	-
Total disbursements	<u>535,179</u>	<u>195,753</u>	<u>129,193</u>	<u>70,303</u>	<u>3,472</u>	<u>25,386</u>	<u>10,231</u>	<u>573,942</u>
Excess (deficiency) of receipts over disbursements	<u>(101,735)</u>	<u>12,423</u>	<u>(83,595)</u>	<u>1,226</u>	<u>2,854</u>	<u>4,260</u>	<u>49,161</u>	<u>(536,696)</u>
Cash and investments - ending	<u>\$ 573,106</u>	<u>\$ 254,908</u>	<u>\$ 252,414</u>	<u>\$ 38,943</u>	<u>\$ 14,385</u>	<u>\$ 101,356</u>	<u>\$ 202,336</u>	<u>\$ 699,548</u>

TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	POLICE DONATION	PRO OUR CHILD DONATION	NEVA KLINE	BIRCHFIELD MEMORIAL	PAYROLL	SEWAGE OPERATING
Cash and investments - beginning	\$ 16,767	\$ 100,850	\$ -	\$ 1,421	\$ 11,810	\$ 3,476	\$ -	\$ 84,384
Receipts:								
Taxes	-	9,979	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	15,712	1,276	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	481,581
Penalties	-	-	-	-	-	-	-	4,142
Other receipts	-	-	100	-	202	554	591,184	6,944
Total receipts	<u>15,712</u>	<u>11,255</u>	<u>100</u>	<u>-</u>	<u>202</u>	<u>554</u>	<u>591,184</u>	<u>492,667</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	127,050
Supplies	-	-	25	-	-	-	-	-
Other services and charges	-	19,385	-	-	-	-	-	19,076
Debt service - principal and interest	-	-	-	-	-	-	-	1,300
Capital outlay	-	-	-	-	-	3,600	-	2,570
Utility operating expenses	-	-	-	-	-	-	-	231,034
Other disbursements	15,000	-	-	-	-	-	591,184	13,722
Total disbursements	<u>15,000</u>	<u>19,385</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>591,184</u>	<u>394,752</u>
Excess (deficiency) of receipts over disbursements	<u>712</u>	<u>(8,130)</u>	<u>75</u>	<u>-</u>	<u>202</u>	<u>(3,046)</u>	<u>-</u>	<u>97,915</u>
Cash and investments - ending	<u>\$ 17,479</u>	<u>\$ 92,720</u>	<u>\$ 75</u>	<u>\$ 1,421</u>	<u>\$ 12,012</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 182,299</u>

TOWN OF WESTVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	SEWAGE METER DEPOSIT	SEWAGE MAINTENANCE	WATER OPERATING	WATER METER DEPOSIT	WATER MAINTENANCE	WATER BOND & INTEREST	WATER DEBIT SERVICE	Totals
Cash and investments - beginning	\$ 32,083	\$ 63,639	\$ 326,916	\$ 31,516	\$ 130,105	\$ 60,235	\$ 119,535	\$ 3,771,835
Receipts:								
Taxes	-	-	-	-	-	-	-	288,622
Licenses and permits	-	-	-	-	-	-	-	14,140
Intergovernmental	-	-	-	-	-	-	-	468,862
Charges for services	-	-	-	-	-	-	-	112,638
Fines and forfeits	-	-	-	-	-	-	-	4,879
Utility fees	5,520	-	497,905	5,520	-	-	-	990,526
Penalties	-	-	6,295	-	-	-	-	10,437
Other receipts	46	13,689	28,977	45	24,271	118,781	-	813,976
Total receipts	<u>5,566</u>	<u>13,689</u>	<u>533,177</u>	<u>5,565</u>	<u>24,271</u>	<u>118,781</u>	<u>-</u>	<u>2,704,080</u>
Disbursements:								
Personal services	-	-	113,605	-	-	-	-	674,574
Supplies	-	-	-	-	-	-	-	42,077
Other services and charges	-	-	19,076	-	-	-	-	509,893
Debt service - principal and interest	-	-	-	-	-	118,150	-	119,450
Capital outlay	-	33,265	57,573	-	-	-	-	711,192
Utility operating expenses	5,100	-	193,000	5,130	-	-	-	434,264
Other disbursements	45	-	142,821	44	-	-	-	763,764
Total disbursements	<u>5,145</u>	<u>33,265</u>	<u>526,075</u>	<u>5,174</u>	<u>-</u>	<u>118,150</u>	<u>-</u>	<u>3,255,214</u>
Excess (deficiency) of receipts over disbursements	<u>421</u>	<u>(19,576)</u>	<u>7,102</u>	<u>391</u>	<u>24,271</u>	<u>631</u>	<u>-</u>	<u>(551,134)</u>
Cash and investments - ending	<u>\$ 32,504</u>	<u>\$ 44,063</u>	<u>\$ 334,018</u>	<u>\$ 31,907</u>	<u>\$ 154,376</u>	<u>\$ 60,866</u>	<u>\$ 119,535</u>	<u>\$ 3,220,701</u>

TOWN OF WESTVILLE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Water	\$ 3,125	\$ 18,317
Wastewater	2,098	3,419
Governmental activities	16,754	1,401
Totals	\$ 21,977	\$ 23,137

TOWN OF WESTVILLE  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Water:			
Revenue bonds	USDA Loan	<u>\$ 1,748,000</u>	<u>\$ 117,625</u>

TOWN OF WESTVILLE  
EXAMINATION RESULTS AND COMMENTS

**OFFICIAL BOND**

The Clerk-Treasurer's Surety Bond was insufficient per the Indiana Code. The Clerk-Treasurer's bond for the examination period was \$30,000 each year. Total receipts reported in the Gateway Annual Report were \$2,557,002, \$3,246,031, and \$2,704,080 in 2011, 2012, and 2013, respectively.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond: . . .

(2) Town judges and clerk-treasurers.

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

(1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

(2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

**DEPOSITS OF POLICE DEPARTMENT RECEIPTS**

Police Department receipts were deposited later than the next business day. Our procedures found that Police Department receipts were accumulated for up to two months before they were remitted to the Clerk-Treasurer's Office.

A similar exception was included in the prior Report B41285.

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."



TOWN OF WESTVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***INTERNAL CONTROLS - WATER USAGE***

The prior Report B41285 (Report), included an exception for several instances in which the number of gallons of water pumped significantly exceed the number of gallons billed. The Report showed that in some instances the number of gallons of water pumped exceeded the gallons billed by 1,223,930 gallons or 27 percent. Subsequent to the Report, the Clerk-Treasurer stated that the Town has not compared the gallons pumped to the gallons billed. Consistent instances of significant unexplained water usages could indicate serious internal control deficiencies over water billing which could result in inaccurate accountability, reporting, and decision making.

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

***COMPENSATION AND BENEFITS***

The Town contributes to employees' individual retirement accounts (IRA) and in one instance, to an employee savings account. None of these contributions are included on the employees' W-2s. The contributions are made based on Ordinance 83-1, which authorizes 8 percent contributions to employees' IRA and describes the contributions as a simplified employee pension plan as defined by the Internal Revenue Service and Indiana Code 5-10-1.1-7. The 8 percent contributions are annually authorized by the Town Council.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***DELINQUENT WASTEWATER ACCOUNTS***

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

TOWN OF WESTVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (B) A description of the premises, as shown by the records of the county auditor.
  - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.
- (c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .
- (e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May."

TOWN OF WESTVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2014, with Carol Rotzien, Clerk-Treasurer, and Michael Albert, President of the Town Council.