

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

EXAMINATION REPORT
OF
TOWN OF WESTPORT
DECATUR COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
12/19/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Barbara Hayden	01-01-00 to 12-31-07
President of the Town Council	Clifford Byard	01-01-02 to 12-31-03
	Harry Pray III	01-01-04 to 12-31-05
	Dave Stults	01-01-06 to 12-31-06



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WESTPORT, DECATUR COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Westport (Town), for the period of January 1, 2002 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 17, 2006

TOWN OF WESTPORT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 242,760	\$ 290,445	\$ 267,534	\$ 265,671
Motor Vehicle Highway	47,609	40,146	27,618	60,137
Local Road and Street	27,051	6,875	-	33,926
CEDIT	20,556	-	-	20,556
Law Enforcement Continuing Education	-	1,717	44	1,673
Firearms Training	1,557	-	1,557	-
Accident Report	685	60	-	745
Cemetery	193,116	46,791	17,335	222,572
Cemetery Maintenance	15,426	1,545	31	16,940
Cemetery - Tree	(155)	-	-	(155)
Donations	30	-	-	30
Cumulative Capital Improvement	21,887	7,002	28,222	667
Cumulative Capital Development	72,673	11,712	769	83,616
Proprietary Funds:				
Water Utility - Operating	19,697	305,996	227,107	98,586
Water Utility - Bond and Interest	123,963	34,198	66,286	91,875
Water Utility - Reserve	101,153	1,061	-	102,214
Water Utility - Customer Deposit	8,145	2,100	4,721	5,524
Water Utility - Improvement	70,976	3,159	-	74,135
Wastewater Utility - Operating	53,862	173,432	192,180	35,114
Wastewater Utility - Bond and Interest	58,198	48,044	37,101	69,141
Wastewater Utility - Reserve	30,771	14,400	-	45,171
Fiduciary Funds:				
Town Hall Rent Deposits	(10)	205	195	-
Payroll	7,600	188,625	194,182	2,043
Totals	\$ 1,117,550	\$ 1,177,513	\$ 1,064,882	\$ 1,230,181

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 265,671	\$ 105,989	\$ 280,746	\$ 90,914
Motor Vehicle Highway	60,137	45,038	15,464	89,711
Local Road and Street	33,926	6,855	20,750	20,031
CEDIT	20,556	-	-	20,556
Law Enforcement Continuing Education	1,673	2,698	2,668	1,703
Riverboat	-	9,580	-	9,580
Accident Report	745	-	-	745
Cemetery	222,572	5,563	13,980	214,155
Cemetery Maintenance	16,940	1,734	-	18,674
Cemetery - Tree	(155)	-	-	(155)
Donations	30	-	30	-
Cumulative Capital Improvement	667	5,477	1,326	4,818
Cumulative Capital Development	83,616	68	4,333	79,351
Proprietary Funds:				
Water Utility - Operating	98,586	338,425	311,668	125,343
Water Utility - Bond and Interest	91,875	49,121	65,317	75,679
Water Utility - Reserve	102,214	33,760	-	135,974
Water Utility - Customer Deposit	5,524	4,600	3,375	6,749
Water Utility - Improvement	74,135	-	-	74,135
Wastewater Utility - Operating	35,114	191,569	189,087	37,596
Wastewater Utility - Bond and Interest	69,141	38,288	39,970	67,459
Wastewater Utility - Reserve	45,171	10,800	20,000	35,971
Fiduciary Funds:				
Town Hall Rent Deposits	-	160	110	50
Payroll	2,043	396,061	395,977	2,127
Totals	\$ 1,230,181	\$ 1,245,786	\$ 1,364,801	\$ 1,111,166

The accompanying notes are an integral part of the schedules.

TOWN OF WESTPORT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005
(Continued)

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 90,914	\$ 303,849	\$ 284,588	\$ 110,175
Motor Vehicle Highway	89,711	60,544	43,238	107,017
Local Road and Street	20,031	7,173	-	27,204
CEDIT	20,556	-	-	20,556
Law Enforcement Continuing Education	1,703	341	-	2,044
Riverboat	9,580	9,553	-	19,133
Accident Report	745	-	-	745
Cemetery	214,155	39,312	9,613	243,854
Cemetery Maintenance	18,674	920	-	19,594
Cemetery - Tree	(155)	-	-	(155)
Cumulative Capital Improvement	4,818	5,654	-	10,472
Cumulative Capital Development	79,351	19,896	223	99,024
Proprietary Funds:				
Water Utility - Operating	125,343	336,930	372,000	90,273
Water Utility - Bond and Interest	75,679	73,155	65,684	83,150
Water Utility - Reserve	135,974	50,640	-	186,614
Water Utility - Customer Deposit	6,749	3,710	3,530	6,929
Water Utility - Improvement	74,135	-	-	74,135
Wastewater Utility - Operating	37,596	162,705	187,726	12,575
Wastewater Utility - Bond and Interest	67,459	32,545	37,939	62,065
Wastewater Utility - Reserve	35,971	2,400	-	38,371
Fiduciary Funds:				
Town Hall Rent Deposits	50	40	40	50
Payroll	2,127	414,356	414,231	2,252
Totals	<u>\$ 1,111,166</u>	<u>\$ 1,523,723</u>	<u>\$ 1,418,812</u>	<u>\$ 1,216,077</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 110,175	\$ 246,712	\$ 302,092	\$ 54,795
Motor Vehicle Highway	107,017	53,387	52,405	107,999
Local Road and Street	27,204	6,523	750	32,977
CEDIT	20,556	-	-	20,556
Law Enforcement Continuing Education	2,044	372	-	2,416
Riverboat	19,133	9,553	-	28,686
Accident Report	745	-	-	745
Cemetery	243,854	14,663	18,414	240,103
Cemetery Maintenance	19,594	1,878	7	21,465
Cemetery - Tree	(155)	-	-	(155)
Cumulative Capital Improvement	10,472	4,683	7,885	7,270
Cumulative Capital Development	99,024	11,925	419	110,530
Proprietary Funds:				
Water Utility - Operating	90,273	384,372	434,660	39,985
Water Utility - Bond and Interest	83,150	76,018	64,126	95,042
Water Utility - Reserve	186,614	50,640	50,037	187,217
Water Utility - Customer Deposit	6,929	4,000	3,115	7,814
Water Utility - Improvement	74,135	-	-	74,135
Wastewater Utility - Operating	12,575	241,356	172,558	81,373
Wastewater Utility - Bond and Interest	62,065	33,122	36,130	59,057
Wastewater Utility - Reserve	38,371	9,600	16	47,955
Fiduciary Funds:				
Town Hall Rent Deposits	50	40	40	50
Payroll	2,252	410,081	410,434	1,899
Totals	<u>\$ 1,216,077</u>	<u>\$ 1,558,925</u>	<u>\$ 1,553,088</u>	<u>\$ 1,221,914</u>

The accompanying notes are an integral part of the schedules.

TOWN OF WESTPORT
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, road and streets maintenance, cemetery, Water, and Wastewater Utilities, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

TOWN OF WESTPORT
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Note 7. Long-Term Debt

The Town has entered into various debts such as bonds for water and wastewater improvements. The outstanding principal at December 31, 2005, was \$352,000 and \$313,000, respectively.

TOWN OF WESTPORT
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Town does not maintain capital asset records.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. 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)

TOWN OF WESTPORT
EXIT CONFERENCE

The contents of this report were discussed on October 17, 2006, with Dave Stults, President of the Town Council, and Barbara Hayden, Clerk-Treasurer. The officials concurred with our finding.