

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

EXAMINATION REPORT

OF

TOWN OF WANATAH

LAPORTE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Stephen E. Mockler	09-20-05 to 12-31-11
President of the Town Council	Charles D. Jonas	01-01-06 to 12-31-08
Superintendent of Utilities	Charles A. Mack	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Wanatah (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 25, 2008

TOWN OF WANATAH
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 107,048	\$ 221,145	\$ 217,741	\$ 110,452
Motor Vehicle Highway	12,072	145,829	75,064	82,837
Local Road and Street	18,831	12,595	-	31,426
Park and Recreation	5,176	11,457	6,054	10,579
Riverboat	147,575	49,968	12,819	184,724
Rainy Day	196	-	-	196
Cumulative Capital Improvement	44,436	3,620	-	48,056
Cumulative Capital Development	58,883	29,638	24,902	63,619
County Economic Development Income Tax	135,499	30,053	35,578	129,974
Major Moves Construction	-	215,185	-	215,185
Proprietary Funds:				
Water Utility - Operating	89,483	259,905	257,120	92,268
Water Utility - Bond and Interest	1,535	79,112	79,307	1,340
Water Utility - Debt Reserve	57,977	10,992	-	68,969
Water Utility - Customer Deposit	24,034	6,865	4,328	26,571
Water Utility - Improvement	10,800	-	-	10,800
Wastewater Utility - Operating	107,302	296,355	333,137	70,520
Wastewater Utility - Bond and Interest	84,620	138,971	215,553	8,038
Wastewater Utility - Debt Reserve	141,680	-	-	141,680
Wastewater Utility - Improvement	22,650	1,800	-	24,450
Fiduciary Fund:				
Payroll	926	212,218	213,445	(301)
Totals	<u>\$ 1,070,723</u>	<u>\$ 1,725,708</u>	<u>\$ 1,475,048</u>	<u>\$ 1,321,383</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 110,452	\$ 245,859	\$ 199,204	\$ 157,107
Motor Vehicle Highway	82,837	64,634	104,149	43,322
Local Road and Street	31,426	12,751	105	44,072
Park and Recreation	10,579	5,310	9,231	6,658
Riverboat	184,724	36,920	29,287	192,357
Rainy Day	196	-	-	196
Cumulative Capital Improvement	48,056	3,558	-	51,614
Cumulative Capital Development	63,619	3,909	5,848	61,680
County Economic Development Income Tax	129,974	30,888	50,822	110,040
Major Moves Construction	215,185	5,655	130,102	90,738
Proprietary Funds:				
Water Utility - Operating	92,268	271,847	257,037	107,078
Water Utility - Bond and Interest	1,340	77,813	77,812	1,341
Water Utility - Debt Reserve	68,969	10,992	-	79,961
Water Utility - Customer Deposit	26,571	5,450	4,665	27,356
Water Utility - Improvement	10,800	-	-	10,800
Wastewater Utility - Operating	70,520	283,329	290,517	63,332
Wastewater Utility - Bond and Interest	8,038	136,399	140,970	3,467
Wastewater Utility - Debt Reserve	141,680	-	-	141,680
Wastewater Utility - Improvement	24,450	1,800	-	26,250
Fiduciary Fund:				
Payroll	(301)	227,541	227,239	1
Totals	<u>\$ 1,321,383</u>	<u>\$ 1,424,655</u>	<u>\$ 1,526,988</u>	<u>\$ 1,219,050</u>

The accompanying notes are an integral part of the financial information.

TOWN OF WANATAH
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, water and wastewater services 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 WANATAH
NOTES TO FINANCIAL INFORMATION
(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 debt such as bonds for the Utilities to use in constructing or acquiring assets. The outstanding principal at December 31, 2007, was \$1,463,000.

TOWN OF WANATAH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Reporting of general infrastructure assets were not maintained by the unit.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 222,047
Buildings	343,792
Improvements other than buildings	100,031
Machinery and equipment	<u>329,420</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 995,290</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,954
Improvements other than buildings	1,521,174
Machinery and equipment	<u>32,601</u>
 Total Water Utility capital assets	 <u>1,558,729</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	80,620
Buildings	257,300
Improvements other than buildings	3,149,100
Machinery and equipment	<u>148,151</u>
 Total Wastewater Utility capital assets	 <u>3,635,171</u>
 Total business-type activities capital assets	 <u>\$ 5,193,900</u>

TOWN OF WANATAH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
2003 Refunding	\$ 860,000	\$ 40,000
Wastewater Utility		
Revenue bonds:		
1991 Series A	603,000	129,000
Total business-type activities debt:	<u>\$ 1,463,000</u>	<u>\$ 169,000</u>

TOWN OF WANATAH
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS – PAYROLL

The pay period included the date the checks were written causing payments to be made in advance of performance of employees' duties. A similar comment was in prior Report B27708.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK BOARD MINUTES

The Park Board did not meet in 2006 and twice in 2007 (September and November) based on minutes provided for examination. A similar comment was issued in prior Report B27708.

Indiana Code 36-10-3-8(a) states: "All meetings of the board are open to the public. The board shall fix the time and place of its regular meetings, but it shall meet at least quarterly."

TOWN OF WANATAH
EXIT CONFERENCE

The contents of this report were discussed on November 25, 2008, with Stephen E. Mockler, Clerk-Treasurer; Rebecca L. Delreal, Deputy Clerk-Treasurer; and Charles D. Jonas, President of the Town Council. The officials concurred with our findings.