

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, 2008 to December 31, 2009



FILED
11/16/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Stephen Mockler	01-01-08 to 12-31-11
President of the Town Council	Charles Jonas	01-01-08 to 12-31-10
Superintendent of Utilities	Charles Mack	01-01-08 to 12-31-10



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 WANATAH, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Wanatah (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

August 23, 2010

TOWN OF WANATAH
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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 157,107	\$ 288,596	\$ 280,343	\$ 165,360
Motor Vehicle Highway	43,322	61,272	89,797	14,797
Local Road and Street	44,072	11,742	5,314	50,500
Park and Recreation	6,658	2,210	7,818	1,050
Riverboat	192,357	35,638	50,275	177,720
Rainy Day	196	-	-	196
Cumulative Capital Improvement	51,614	3,294	-	54,908
Cumulative Capital Development	61,680	13,680	51,228	24,132
County Economic Development Income Tax	110,040	31,642	50,215	91,467
Major Moves Construction	90,738	-	77,265	13,473
Proprietary Funds:				
Water Utility - Operating	107,078	278,373	285,922	99,529
Water Utility - Bond and Interest	1,341	75,180	76,512	9
Water Utility - Debt Reserve	79,961	3,639	-	83,600
Water Utility - Customer Deposit	27,356	4,399	3,115	28,640
Water Utility - Improvement	10,800	-	-	10,800
Wastewater Utility - Operating	63,332	276,338	297,830	41,840
Wastewater Utility - Bond and Interest	3,467	139,000	140,420	2,047
Wastewater Utility - Debt Reserve	141,680	-	-	141,680
Wastewater Utility - Improvement	26,250	1,800	-	28,050
Fiduciary Fund:				
Payroll	1	222,371	222,372	-
Totals	\$ 1,219,050	\$ 1,449,174	\$ 1,638,426	\$ 1,029,798

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 165,360	\$ 278,421	\$ 227,650	\$ 216,131
Motor Vehicle Highway	14,797	138,295	116,887	36,205
Local Road and Street	50,500	11,144	733	60,911
Park and Recreation	1,050	9,766	4,991	5,825
Riverboat	177,720	54,683	81,377	151,026
Rainy Day	196	-	-	196
Cumulative Capital Improvement	54,908	3,106	-	58,014
Cumulative Capital Development	24,132	8,634	200	32,566
County Economic Development Income Tax	91,467	63,378	109,909	44,936
Major Moves Construction	13,473	-	2,092	11,381
Proprietary Funds:				
Water Utility - Operating	99,529	262,483	254,900	107,112
Water Utility - Bond and Interest	9	80,220	80,213	16
Water Utility - Depreciation	83,600	-	-	83,600
Water Utility - Customer Deposit	28,640	3,550	2,315	29,875
Water Utility - Improvement	10,800	-	-	10,800
Wastewater Utility - Operating	41,840	276,723	283,242	35,321
Wastewater Utility - Bond and Interest	2,047	138,780	140,820	7
Wastewater Utility - Depreciation	141,680	-	-	141,680
Wastewater Utility - Improvement	28,050	1,800	1,541	28,309
Fiduciary Funds:				
Park Sales Tax	-	28	-	28
Payroll	-	218,596	218,596	-
Totals	\$ 1,029,798	\$ 1,549,607	\$ 1,525,466	\$ 1,053,939

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. Subsequent Event

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Town. It is undeterminable how much property tax collections the Town will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Town received their distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June, 2010 and are due in two installments, July 9, 2010 and November 10, 2010.

TOWN OF WANATAH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 239,556
Buildings	327,071
Improvements other than buildings	441,350
Machinery and equipment	<u>363,914</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,371,891</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,954
Improvements other than buildings	78,359
Machinery and equipment	<u>1,389,490</u>
Total Water Utility capital assets	<u>1,472,803</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	80,620
Buildings	257,300
Improvements other than buildings	3,153,088
Machinery and equipment	<u>148,100</u>
Total Wastewater Utility capital assets	<u>3,639,108</u>
Total business-type activities capital assets	<u>\$ 5,111,911</u>

TOWN OF WANATAH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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	\$ 775,000	\$ 78,750
Wastewater Utility:		
Revenue bonds:		
1991 Series A	<u>342,000</u>	<u>141,170</u>
Total business-type activities debt	<u>\$ 1,117,000</u>	<u>\$ 219,920</u>

TOWN OF WANATAH
EXAMINATION RESULT AND COMMENT

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 Reports B27708 and B33687.

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)

TOWN OF WANATAH
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2010, with Stephen Mockler, Clerk-Treasurer; and Charles Jonas, President of the Town Council.