

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

EXAMINATION REPORT
OF
TOWN OF WOLCOTTVILLE
LAGRANGE COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
10/25/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jane M. Feller Jeanette Combs	01-01-04 to 08-31-09 09-01-09 to 12-31-11
President of the Town Council	Natalie Sturgis Gregory Williams Basil Pierce Dean Domer	01-01-09 to 12-31-09 01-01-10 to 04-05-10 04-06-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Water Utility	Randy J. Miller	01-01-09 to 12-31-11
Superintendent of Wastewater Utility	Matthew R. Jordan	01-01-09 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WOLCOTTVILLE, LAGRANGE COUNTY, INDIANA

We have examined the financial statements of the Town of Wolcottville (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. 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 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, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

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

September 21, 2011

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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 WOLCOTTVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 52,216	\$ 580,507	\$ 522,361	\$ 110,362
Motor Vehicle Highway	31,042	29,675	43,026	17,691
Local Road and Street	23,231	3,030	2,589	23,672
Park and Recreation	23,361	6,156	16,216	13,301
Sanitation	10,297	49,284	51,813	7,768
Law Enforcement Continuing Education	994	693	576	1,111
Infraction Deferral	5,878	19,841	18,407	7,312
Park Donations	-	837	808	29
V. Hanes Community Center	1,504	1,013	2,188	329
Rainy Day	20,331	29,975	32,232	18,074
Local Major Moves Construction	217,675	-	192,257	25,418
Police Donation	524	5,742	3,321	2,945
Fireworks Donation	311	5,694	4,864	1,141
Cumulative Capital Improvement	2,373	2,861	1,931	3,303
Cumulative Capital Development	44,325	8,478	2,850	49,953
County Economic Development Income Tax	81,156	66,760	138,515	9,401
Payroll	3,504	322,942	322,565	3,881
Sewer Operating	77,070	691,740	621,057	147,753
Sewer Sinking	644,738	421,252	372,299	693,691
Sewer Improvements	4,144	-	2,335	1,809
Water Operating	108,644	206,564	173,433	141,775
Water Sinking	38,484	69,748	33,824	74,408
Water Depreciation/Improvement	1,618	-	1,617	1
Water Meter Deposit	9,879	1,100	765	10,214
Water Grant Fund	196	-	196	-
Water Grant Retainage	3,745	7	3,752	-
Totals	<u>\$ 1,407,240</u>	<u>\$ 2,523,899</u>	<u>\$ 2,565,797</u>	<u>\$ 1,365,342</u>

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

TOWN OF WOLCOTTVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 110,362	\$ 447,169	\$ 464,110	\$ 93,421
Motor Vehicle Highway	17,691	69,969	5,629	82,031
Local Road and Street	23,672	3,079	264	26,487
Sanitation	7,768	39,856	44,844	2,780
Law Enforcement Continuing Education	1,111	674	491	1,294
Infraction Deferral	7,312	2,700	3,649	6,363
Park and Recreation	13,301	15,130	28,431	-
Park Donations	29	-	9	20
V. Hanes Community Center	329	716	1,010	35
Rainy Day	18,074	18,725	9,994	26,805
Levy Excess	-	664	-	664
Local Major Moves Construction	25,418	-	25,000	418
Police Donation	2,945	628	3,009	564
Fireworks Donation	1,141	6,035	6,274	902
Essay Contest	-	160	125	35
Cumulative Capital Development	49,953	5,423	42,125	13,251
Cumulative Capital Improvement	3,303	2,732	300	5,735
County Economic Development Income Tax	9,401	56,638	43,883	22,156
Payroll	3,881	309,255	309,244	3,892
Sewer Operating	147,753	690,801	731,101	107,453
Sewer Sinking	693,691	413,701	372,921	734,471
Sewer Improvements	1,809	-	-	1,809
Water Operating	141,775	259,937	237,344	164,368
Water Sinking	74,408	69,389	102,689	41,108
Water Depreciation/Improvement	1	14,580	-	14,581
Water Meter Deposit	10,214	1,800	864	11,150
Totals	<u>\$ 1,365,342</u>	<u>\$ 2,429,761</u>	<u>\$ 2,433,310</u>	<u>\$ 1,361,793</u>

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

TOWN OF WOLCOTTVILLE
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater services.

The accompanying financial statements presents the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

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, but are not limited to, 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 WOLCOTTVILLE
NOTES TO FINANCIAL STATEMENTS
(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.

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, but are not limited to, 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 WOLCOTTVILLE
NOTES TO FINANCIAL STATEMENTS
(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.

H. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the Statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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

TOWN OF WOLCOTTVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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. The purchase of insurance transfers the risk to an independent third party.

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 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 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.

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:

TOWN OF WOLCOTTVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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 prepared and/or approved by management of the Town. It is presented as intended by the Town.

TOWN OF WOLCOTTVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road and Street	Park and Recreation	Sanitation	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 52,216	\$ 31,042	\$ 23,231	\$ 23,361	\$ 10,297	\$ 994
Receipts:						
Taxes	259,592	1,988	3,030	5,996	-	-
Licenses and permits	160	-	-	-	-	560
Intergovernmental	119,541	27,687	-	-	-	-
Charges for services	27,277	-	-	-	49,284	43
Fines and forfeits	687	-	-	-	-	90
Utility fees	-	-	-	-	-	-
Other receipts	173,250	-	-	160	-	-
Total receipts	<u>580,507</u>	<u>29,675</u>	<u>3,030</u>	<u>6,156</u>	<u>49,284</u>	<u>693</u>
Disbursements:						
Personal services	289,294	2,585	-	-	-	-
Supplies	25,982	953	-	-	-	-
Other services and charges	117,457	6,227	2,589	1,216	42,813	576
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	14,628	33,261	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	75,000	-	-	15,000	9,000	-
Total disbursements	<u>522,361</u>	<u>43,026</u>	<u>2,589</u>	<u>16,216</u>	<u>51,813</u>	<u>576</u>
Excess (deficiency) of receipts over disbursements	<u>58,146</u>	<u>(13,351)</u>	<u>441</u>	<u>(10,060)</u>	<u>(2,529)</u>	<u>117</u>
Cash and investments - ending	<u>\$ 110,362</u>	<u>\$ 17,691</u>	<u>\$ 23,672</u>	<u>\$ 13,301</u>	<u>\$ 7,768</u>	<u>\$ 1,111</u>

TOWN OF WOLCOTTVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Infraction Deferral	Park Donations	V. Hanes Community Center	Rainy Day	Local Major Moves Construction	Police Donation
Cash and investments - beginning	\$ 5,878	\$ -	\$ 1,504	\$ 20,331	\$ 217,675	\$ 524
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	19,841	-	-	5,975	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	837	1,013	24,000	-	5,742
Total receipts	<u>19,841</u>	<u>837</u>	<u>1,013</u>	<u>29,975</u>	<u>-</u>	<u>5,742</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	8,369	808	2,188	8,232	57,257	3,321
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	10,038	-	-	24,000	135,000	-
Total disbursements	<u>18,407</u>	<u>808</u>	<u>2,188</u>	<u>32,232</u>	<u>192,257</u>	<u>3,321</u>
Excess (deficiency) of receipts over disbursements	<u>1,434</u>	<u>29</u>	<u>(1,175)</u>	<u>(2,257)</u>	<u>(192,257)</u>	<u>2,421</u>
Cash and investments - ending	<u>\$ 7,312</u>	<u>\$ 29</u>	<u>\$ 329</u>	<u>\$ 18,074</u>	<u>\$ 25,418</u>	<u>\$ 2,945</u>

TOWN OF WOLCOTTVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Fireworks Donation	Cumulative Capital Improvement	Cumulative Capital Development	County Economic Development Income Tax	Payroll
Cash and investments - beginning	\$ 311	\$ 2,373	\$ 44,325	\$ 81,156	\$ 3,504
Receipts:					
Taxes	-	-	7,979	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	2,861	421	39,316	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	5,694	-	78	27,444	322,942
Total receipts	<u>5,694</u>	<u>2,861</u>	<u>8,478</u>	<u>66,760</u>	<u>322,942</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	118	-	-	-
Other services and charges	4,864	1,813	2,850	71,788	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	66,727	322,565
Total disbursements	<u>4,864</u>	<u>1,931</u>	<u>2,850</u>	<u>138,515</u>	<u>322,565</u>
Excess (deficiency) of receipts over disbursements	<u>830</u>	<u>930</u>	<u>5,628</u>	<u>(71,755)</u>	<u>377</u>
Cash and investments - ending	<u>\$ 1,141</u>	<u>\$ 3,303</u>	<u>\$ 49,953</u>	<u>\$ 9,401</u>	<u>\$ 3,881</u>

TOWN OF WOLCOTTVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Sewer Operating	Sewer Sinking	Sewer Improvements	Water Operating	Water Sinking
Cash and investments - beginning	\$ 77,070	\$ 644,738	\$ 4,144	\$ 108,644	\$ 38,484
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	631,128	-	-	200,582	-
Other receipts	60,612	421,252	-	5,982	69,748
Total receipts	<u>691,740</u>	<u>421,252</u>	<u>-</u>	<u>206,564</u>	<u>69,748</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	6,048	372,259	-	5,679	13,824
Capital outlay	6,997	-	2,335	1,544	-
Utility operating expenses	232,475	-	-	61,759	-
Other disbursements	375,537	40	-	104,451	20,000
Total disbursements	<u>621,057</u>	<u>372,299</u>	<u>2,335</u>	<u>173,433</u>	<u>33,824</u>
Excess (deficiency) of receipts over disbursements	<u>70,683</u>	<u>48,953</u>	<u>(2,335)</u>	<u>33,131</u>	<u>35,924</u>
Cash and investments - ending	<u>\$ 147,753</u>	<u>\$ 693,691</u>	<u>\$ 1,809</u>	<u>\$ 141,775</u>	<u>\$ 74,408</u>

TOWN OF WOLCOTTVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Water Depreciation/ Improvement	Water Meter Deposit	Water Grant Fund	Water Grant Retainage	Totals
Cash and investments - beginning	\$ 1,618	\$ 9,879	\$ 196	\$ 3,745	\$ 1,407,240
Receipts:					
Taxes	-	-	-	-	278,585
Licenses and permits	-	-	-	-	720
Intergovernmental	-	-	-	-	215,642
Charges for services	-	-	-	-	76,604
Fines and forfeits	-	-	-	-	777
Utility fees	-	-	-	-	831,710
Other receipts	-	1,100	-	7	1,119,861
Total receipts	-	1,100	-	7	2,523,899
Disbursements:					
Personal services	-	-	-	-	291,879
Supplies	-	-	-	-	27,053
Other services and charges	-	-	-	-	332,368
Debt service - principal and interest	-	-	-	-	397,810
Capital outlay	1,617	-	-	-	60,382
Utility operating expenses	-	765	187	3,752	298,938
Other disbursements	-	-	9	-	1,157,367
Total disbursements	1,617	765	196	3,752	2,565,797
Excess (deficiency) of receipts over disbursements	(1,617)	335	(196)	(3,745)	(41,898)
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 10,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,365,342</u>

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

	General Fund	Motor Vehicle Highway	Local Road and Street	Sanitation	Law Enforcement Continuing Education	Infraction Deferral
Cash and investments - beginning	\$ 110,362	\$ 17,691	\$ 23,672	\$ 7,768	\$ 1,111	\$ 7,312
Receipts:						
Taxes	196,933	-	-	-	-	-
Licenses and permits	165	-	-	-	385	-
Intergovernmental	103,482	27,969	3,079	-	-	2,700
Charges for services	1,753	-	-	39,856	198	-
Fines and forfeits	1,768	-	-	-	91	-
Utility fees	-	-	-	-	-	-
Other receipts	143,068	42,000	-	-	-	-
Total receipts	<u>447,169</u>	<u>69,969</u>	<u>3,079</u>	<u>39,856</u>	<u>674</u>	<u>2,700</u>
Disbursements:						
Personal services	261,820	3,697	-	-	-	-
Supplies	34,776	1,532	264	-	-	-
Other services and charges	102,278	-	-	35,806	491	3,649
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	400	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	65,236	-	-	9,038	-	-
Total disbursements	<u>464,110</u>	<u>5,629</u>	<u>264</u>	<u>44,844</u>	<u>491</u>	<u>3,649</u>
Excess (deficiency) of receipts over disbursements	<u>(16,941)</u>	<u>64,340</u>	<u>2,815</u>	<u>(4,988)</u>	<u>183</u>	<u>(949)</u>
Cash and investments - ending	<u>\$ 93,421</u>	<u>\$ 82,031</u>	<u>\$ 26,487</u>	<u>\$ 2,780</u>	<u>\$ 1,294</u>	<u>\$ 6,363</u>

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

	Park and Recreation	Park Donations	V. Hanes Community Center	Rainy Day	Levy Excess	Local Major Moves Construction
Cash and investments - beginning	\$ 13,301	\$ 29	\$ 329	\$ 18,074	\$ -	\$ 25,418
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	9,725	-	-
Charges for services	130	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	15,000	-	716	9,000	664	-
Total receipts	<u>15,130</u>	<u>-</u>	<u>716</u>	<u>18,725</u>	<u>664</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	9	-	-	-	-
Other services and charges	910	-	1,010	9,994	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	27,521	-	-	-	-	25,000
Total disbursements	<u>28,431</u>	<u>9</u>	<u>1,010</u>	<u>9,994</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of receipts over disbursements	<u>(13,301)</u>	<u>(9)</u>	<u>(294)</u>	<u>8,731</u>	<u>664</u>	<u>(25,000)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 35</u>	<u>\$ 26,805</u>	<u>\$ 664</u>	<u>\$ 418</u>

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

	Police Donation	Fireworks Donation	Essay Contest	Cumulative Capital Development	Cumulative Capital Improvement
Cash and investments - beginning	\$ 2,945	\$ 1,141	\$ -	\$ 49,953	\$ 3,303
Receipts:					
Taxes	-	-	-	4,950	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	411	2,732
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	628	6,035	160	62	-
Total receipts	<u>628</u>	<u>6,035</u>	<u>160</u>	<u>5,423</u>	<u>2,732</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	3,009	6,274	125	125	300
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	42,000	-
Total disbursements	<u>3,009</u>	<u>6,274</u>	<u>125</u>	<u>42,125</u>	<u>300</u>
Excess (deficiency) of receipts over disbursements	<u>(2,381)</u>	<u>(239)</u>	<u>35</u>	<u>(36,702)</u>	<u>2,432</u>
Cash and investments - ending	<u>\$ 564</u>	<u>\$ 902</u>	<u>\$ 35</u>	<u>\$ 13,251</u>	<u>\$ 5,735</u>

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

	County Economic Development Income Tax	Payroll	Sewer Operating	Sewer Sinking	Sewer Improvements
Cash and investments - beginning	\$ 9,401	\$ 3,881	\$ 147,753	\$ 693,691	\$ 1,809
Receipts:					
Taxes	36,090	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	2,208	-	-
Other receipts	20,548	309,255	688,593	413,701	-
Total receipts	<u>56,638</u>	<u>309,255</u>	<u>690,801</u>	<u>413,701</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	43,883	-	-	-	-
Debt service - principal and interest	-	-	-	191,000	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	191,890	181,881	-
Other disbursements	-	309,244	539,211	40	-
Total disbursements	<u>43,883</u>	<u>309,244</u>	<u>731,101</u>	<u>372,921</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,755</u>	<u>11</u>	<u>(40,300)</u>	<u>40,780</u>	<u>-</u>
Cash and investments - ending	<u>\$ 22,156</u>	<u>\$ 3,892</u>	<u>\$ 107,453</u>	<u>\$ 734,471</u>	<u>\$ 1,809</u>

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

	Water Operating	Water Sinking	Water Depreciation/ Improvement	Water Meter Deposit	Totals
Cash and investments - beginning	\$ 141,775	\$ 74,408	\$ 1	\$ 10,214	\$ 1,365,342
Receipts:					
Taxes	-	-	-	-	237,973
Licenses and permits	-	-	-	-	550
Intergovernmental	-	-	-	-	150,098
Charges for services	-	-	-	-	41,937
Fines and forfeits	-	-	-	-	1,859
Utility fees	183	-	-	-	2,391
Other receipts	259,754	69,389	14,580	1,800	1,994,953
Total receipts	259,937	69,389	14,580	1,800	2,429,761
Disbursements:					
Personal services	-	-	-	-	265,517
Supplies	-	-	-	-	36,581
Other services and charges	-	-	-	-	207,854
Debt service - principal and interest	-	102,629	-	-	293,629
Capital outlay	10,736	-	-	-	11,136
Utility operating expenses	94,640	-	-	-	468,411
Other disbursements	131,968	60	-	864	1,150,182
Total disbursements	237,344	102,689	-	864	2,433,310
Excess (deficiency) of receipts over disbursements	22,593	(33,300)	14,580	936	(3,549)
Cash and investments - ending	\$ 164,368	\$ 41,108	\$ 14,581	\$ 11,150	\$ 1,361,793

TOWN OF WOLCOTTVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets will not be done.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 13,000
Infrastructure	50,980
Buildings	256,814
Improvements other than buildings	20,000
Machinery and equipment	<u>262,673</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 603,467</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,150
Buildings	395,297
Improvements other than buildings	1,201,888
Machinery and equipment	<u>418,143</u>
 Total Water Utility capital assets	 <u>2,019,478</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	27,778
Buildings	68,779
Improvements other than buildings	7,363,064
Machinery and equipment	<u>235,531</u>
 Total Wastewater Utility capital assets	 <u>7,695,152</u>
 Total business-type activities capital assets	 <u>\$ 9,714,630</u>

TOWN OF WOLCOTTVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 Decemeber 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Notes and loans payable	\$ 2,606,608	\$ 227,901
Bonds payable:		
Revenue bonds:		
1995 Wastewater expansion	1,851,000	132,863
2003 Wastewater improvement	<u>418,000</u>	<u>45,990</u>
Total debt	<u>\$ 4,875,608</u>	<u>\$ 406,754</u>

TOWN OF WOLCOTTVILLE
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2009	\$ 25,981
Local Law Enforcement Continuing Education	2009	76
Major Moves	2009	57,257
CEDIT	2009	11,789
Park and Recreation	2010	97

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSET RECORDS

An inventory of capital assets of the Town and Utilities was not maintained. This was noted in the prior six reports, B13464, B16541, B21196, B26592, B30049, and B35095.

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. 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)

CASH NECESSARY TO BALANCE

A comparison of the records to the bank account indicated cash long of \$11,828.

At all times, the manual and/or 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)

TOWN OF WOLCOTTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$688 were paid to the Indiana Department of Revenue on February 10, 2010, for the period January 1, 2009 to December 31, 2009, for late payment of 2009 Utility Tax.

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)

GUARANTEE DEPOSIT REGISTER

The Guarantee Deposit Register was \$1,677 less than the Utility Meter Deposit Fund's cash balance. This was noted in the prior Report B35095.

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)

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use: Register of Investments (Form 350). This was noted in the prior Reports B30049 and B35095.

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)

TOWN OF WOLCOTTVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2011, with Jeanette Combs, Clerk-Treasurer, and Dean Domer, President of the Town Council. The officials concurred with our findings.