

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

EXAMINATION REPORT  
OF  
TOWN OF KEWANNA  
FULTON COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
02/06/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Karen J. Good

01-01-04 to 12-31-07

President of the Town Council

Jeffery A. Finke  
Donald Woolington

01-01-05 to 12-31-06  
01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KEWANNA, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Kewanna (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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 a required part 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

January 16, 2007

TOWN OF KEWANNA  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 42,182	\$ 187,207	\$ 177,829	\$ 51,560
Motor Vehicle Highway	72,248	62,205	101,495	32,958
Local Road and Street	11,492	2,915	9,900	4,507
Community Host	16,873	38,253	29,725	25,401
Law Enforcement Continuing Education	10	30	40	-
Riverboat	3,883	7,743	-	11,626
Rainy Day	39,101	-	20,000	19,101
Donation	-	2,500	-	2,500
Cumulative Capital Improvement - Tax Levy	30,723	25,762	8,318	48,167
Cumulative Capital Improvement	25,341	1,898	2,532	24,707
Brownsfield Loan	5,457	-	-	5,457
Brownsfield Grant	47,931	47,928	95,857	2
Indiana Criminal Justice Institute Grant	559	-	360	199
Levy Excess	-	41,280	-	41,280
Police REMC Round-Up Grant	-	800	-	800
Library Grant	-	17,700	17,700	-
Proprietary Funds:				
Water Utility - Operating	30,538	105,876	94,153	42,261
Water Utility - Bond and Interest	11,986	38,400	37,820	12,566
Water Utility - Improvement	4,792	1,200	1,500	4,492
Water Utility - Customer Deposit	5,725	1,700	1,375	6,050
Water Utility - Debt Reserve	29,700	3,890	-	33,590
Wastewater Utility - Operating	18,208	111,648	110,594	19,262
Wastewater Utility - Bond and Interest	58	48,000	45,757	2,301
Wastewater Utility - Improvement	17,348	1,384	8,543	10,189
Wastewater Utility - Debt Reserve	48,171	854	-	49,025
Totals	<u>\$ 462,326</u>	<u>\$ 749,173</u>	<u>\$ 763,498</u>	<u>\$ 448,001</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 51,560	\$ 163,609	\$ 179,362	\$ 35,807
Motor Vehicle Highway	32,958	51,817	61,603	23,172
Local Road and Street	4,507	2,845	4,640	2,712
Community Host	25,401	22,313	13,870	33,844
Law Enforcement Continuing Education	-	45	45	-
Riverboat	11,626	3,864	-	15,490
Rainy Day	19,101	14,000	-	33,101
Donation	2,500	-	-	2,500
Cumulative Capital Improvement - Tax Levy	48,167	21,930	32,938	37,159
Cumulative Capital Improvement	24,707	2,194	-	26,901
Brownsfield Loan	5,457	-	3,231	2,226
Brownsfield Grant	2	-	2	-
Indiana Criminal Justice Institute Grant	199	-	199	-
Levy Excess	41,280	-	41,280	-
Police REMC Round-Up Grant	800	-	800	-
Library Grant	-	17,634	17,634	-
Proprietary Funds:				
Water Utility - Operating	42,261	101,492	98,528	45,225
Water Utility - Bond and Interest	12,566	38,400	37,400	13,566
Water Utility - Improvement	4,492	1,200	-	5,692
Water Utility - Customer Deposit	6,050	1,300	1,075	6,275
Water Utility - Debt Reserve	33,590	4,467	-	38,057
Wastewater Utility - Operating	19,262	112,582	102,569	29,275
Wastewater Utility - Bond and Interest	2,301	43,200	44,698	803
Wastewater Utility - Improvement	10,189	4,200	7,974	6,415
Wastewater Utility - Debt Reserve	49,025	1,562	3,000	47,587
Totals	<u>\$ 448,001</u>	<u>\$ 608,654</u>	<u>\$ 650,848</u>	<u>\$ 405,807</u>

The accompanying notes are an integral part of the schedules.

TOWN OF KEWANNA  
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, 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 KEWANNA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2006

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	\$ 7,530
Buildings	138,265
Improvements other than buildings	72,268
Machinery and equipment	<u>204,301</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>422,364</u></u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 32,863
Buildings	35,667
Improvements other than buildings	2,034,428
Machinery and equipment	<u>115,087</u>
 Total water utility capital assets	 <u>2,218,045</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	557,399
Buildings	359,833
Improvements other than buildings	2,361,408
Machinery and equipment	<u>191,577</u>
 Total wastewater utility capital assets	 <u>3,470,217</u>
 Total business-type activities capital assets	 \$ <u><u>5,688,262</u></u>

TOWN OF KEWANNA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Notes and loans payable		
Fulton county economic development commission loan	\$ 6,070	\$ 6,070
Brownsfield loan	<u>13,544</u>	<u>6,273</u>
Total governmental activities long-term debt	<u>\$ 19,614</u>	<u>\$ 12,343</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
Waterworks construction/improvement	\$ 552,000	\$ 8,000
Wastewater Utility		
Revenue bonds:		
Wastewater construction/improvement	<u>395,000</u>	<u>20,000</u>
Total business-type activities long-term debt	<u>\$ 947,000</u>	<u>\$ 28,000</u>

TOWN OF KEWANNA  
EXIT CONFERENCE

The contents of this report were discussed on January 16, 2007, with Karen J. Good, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.