

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

EXAMINATION REPORT

OF

TOWN OF FULTON

FULTON COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
02/22/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie L. Hartman	01-01-05 to 12-31-07
President of the Town Council	Elwyn E. Becker	01-01-05 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 FULTON, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Fulton (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 present 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 23, 2007

TOWN OF FULTON
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 10,351	\$ 81,548	\$ 70,737	\$ 21,162
Motor Vehicle Highway	4,619	9,854	7,602	6,871
Local Road and Street	4,714	1,460	315	5,859
Law Enforcement Continuing Education	24	216	227	13
Riverboat	-	4,111	4,111	-
Rainy Day	3,659	-	-	3,659
Community Improvement	22,387	31,877	2,000	52,264
Law Enforcement Block Grant	3,562	-	3,562	-
Cumulative Capital Improvement	1,111	1,008	1,063	1,056
Proprietary Funds:				
Wastewater Utility - Operating	28,259	91,690	115,454	4,495
Wastewater Utility - Bond and Interest	16,125	24,000	22,370	17,755
Wastewater Utility - Depreciation	41,014	20,000	14,323	46,691
Wastewater Utility - Reserve	15,600	3,300	-	18,900
Fiduciary Funds:				
Payroll	-	55,314	55,314	-
Levy Excess	-	1,270	-	1,270
Totals	\$ 151,425	\$ 325,648	\$ 297,078	\$ 179,995

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 21,162	\$ 66,335	\$ 65,752	\$ 21,745
Motor Vehicle Highway	6,871	11,886	7,763	10,994
Local Road and Street	5,859	1,425	1,545	5,739
Law Enforcement Continuing Education	13	323	49	287
Riverboat	-	2,051	2,051	-
Rainy Day	3,659	1,000	-	4,659
Community Improvement	52,264	19,094	6,450	64,908
Cumulative Capital Improvement	1,056	1,164	306	1,914
Proprietary Funds:				
Wastewater Utility - Operating	4,495	76,667	76,614	4,548
Wastewater Utility - Bond and Interest	17,755	24,000	23,145	18,610
Wastewater Utility - Depreciation	46,691	4,000	-	50,691
Wastewater Utility - Reserve	18,900	3,300	-	22,200
Fiduciary Funds:				
Payroll	-	55,314	55,314	-
Levy Excess	1,270	1,275	1,270	1,275
Totals	\$ 179,995	\$ 267,834	\$ 240,259	\$ 207,570

The accompanying notes are an integral part of the schedules.

TOWN OF FULTON
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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 FULTON
 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	\$ 21,246
Buildings	70,923
Improvements other than buildings	22,002
Machinery and equipment	<u>40,530</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>154,701</u></u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 70,975
Buildings	8,387
Improvements other than buildings	1,550,732
Machinery and equipment	<u>58,673</u>
 Total wastewater utility capital assets	 \$ <u><u>1,688,767</u></u>

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

Description of Asset	Ending Balance	Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Sewage works revenue bonds of 1998	\$ 375,000	\$ 6,000

TOWN OF FULTON
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General Fund	2005	<u>\$ 547</u>

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.”

TOWN OF FULTON
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2007, with Connie L. Hartman, Clerk-Treasurer; and Elwyn E. Becker, President of the Town Council. The officials concurred with our finding.