

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

EXAMINATION REPORT

OF

TOWN OF LARWILL

WHITLEY COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
11/14/2007

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Renee S. Sills

01-01-04 to 12-31-07

President of the Town Council

Rick Hobbs
Richard Flauding

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



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LARWILL, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Larwill (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 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

October 4, 2007

TOWN OF LARWILL
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	\$ 53,042	\$ 39,272	\$ 28,770	\$ 63,544
Motor Vehicle Highway	13,813	8,917	7,395	15,335
Local Road and Street	1,929	1,807	2,500	1,236
Housing Grant	15,264	96	6,560	8,800
Trash Removal	1,257	9,056	8,690	1,623
Rental Application	400	125	75	450
Gazebo	5,241	125	2,937	2,429
Rainy Day	2,222	-	-	2,222
Cumulative Capital Improvement	4,360	872	272	4,960
Cumulative Capital Development	6,774	1,776	101	8,449
Economic Development Income Tax	24,625	3,565	-	28,190
Proprietary Funds:				
Wastewater Utility - Operating	41,384	61,705	63,860	39,229
Wastewater Utility - Bond and Interest	4,824	19,020	18,575	5,269
Wastewater Utility - Debt Reserve	19,965	-	-	19,965
Totals	<u>\$ 195,100</u>	<u>\$ 146,336</u>	<u>\$ 139,735</u>	<u>\$ 201,701</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 63,544	\$ 36,067	\$ 27,574	\$ 72,037
Motor Vehicle Highway	15,335	12,054	12,797	14,592
Local Road and Street	1,236	1,775	2,500	511
Housing Grant	8,800	1,038	4,353	5,485
Trash Removal	1,623	8,947	9,210	1,360
Rental Application	450	685	775	360
Gazebo	2,429	45	661	1,813
Levy Excess	-	743	-	743
Rainy Day	2,222	-	-	2,222
Cumulative Capital Improvement	4,960	1,007	1,709	4,258
Cumulative Capital Development	8,449	1,441	649	9,241
Economic Development Income Tax	28,190	7,455	4,839	30,806
Proprietary Funds:				
Wastewater Utility - Operating	39,229	65,241	49,928	54,542
Wastewater Utility - Bond and Interest	5,269	19,020	18,355	5,934
Wastewater Utility - Debt Reserve	19,965	-	-	19,965
Totals	<u>\$ 201,701</u>	<u>\$ 155,518</u>	<u>\$ 133,350</u>	<u>\$ 223,869</u>

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

TOWN OF LARWILL
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, highways and streets, culture and recreation, public improvements, general administrative services and wastewater.

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 LARWILL
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

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.

General infrastructure assets will be reported in the year completed. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 9,400
Improvements other than buildings	2,279
Machinery and equipment	<u>1,110</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>12,789</u>
 Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 7,533
Improvements other than buildings	830,237
Machinery and equipment	<u>2,687</u>
 Total Wastewater Utility capital assets	 \$ <u>840,457</u>

TOWN OF LARWILL
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Sewage works improvement	\$ 257,000	\$ 5,000

TOWN OF LARWILL
EXAMINATION RESULT AND COMMENT

DEPOSITS

There were numerous instances where receipts were deposited later than the next business day. A similar comment appeared in prior Report B26250.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories: (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

TOWN OF LARWILL
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2007, with Renee S. Sills, Clerk-Treasurer.
The official concurred with our finding.