

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

EXAMINATION REPORT
OF
TOWN OF OWENSVILLE
GIBSON COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
12/28/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kristy York	01-01-04 to 12-31-07
President of the Town Council	Michael Taylor	01-01-06 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 OWENSVILLE, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Owensville (Town), for the period of January 1, 2006 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 year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 13, 2007

TOWN OF OWENSVILLE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 312,009	\$ 197,449	\$ 239,763	\$ 269,695
Motor Vehicle Highway	91,225	149,238	86,075	154,388
Local Road and Street	37,436	5,691	66	43,061
Park and Recreation	79,523	75,384	93,549	61,358
Law Enforcement Continuing Education	2,556	793	53	3,296
Riverboat	25,521	8,597	4,316	29,802
Rainy Day	67,849	2,193	-	70,042
Cumulative Capital Improvement	45,437	5,701	3,370	47,768
Cumulative Capital Development	60,184	6,727	692	66,219
Economic Development Income Tax	430,383	78,260	157,090	351,553
Proprietary Funds:				
Water Utility - Operating	140,902	218,267	290,621	68,548
Water Utility - Depreciation	123,704	16,148	58,890	80,962
Water Utility - Customer Deposit	11,855	5,100	5,150	11,805
Wastewater Utility - Operating	146,966	312,784	344,002	115,748
Wastewater Utility - Bond and Interest	55,789	106,505	85,856	76,438
Wastewater Utility - Cash with Fiscal Agent	10,844	487	-	11,331
Fiduciary Funds:				
Excess Levy	13,596	23,454	13,596	23,454
Payroll	183	377,671	377,535	319
Totals	<u>\$ 1,655,962</u>	<u>\$ 1,590,449</u>	<u>\$ 1,760,624</u>	<u>\$ 1,485,787</u>

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

TOWN OF OWENSVILLE
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, general administrative services, water, 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.

TOWN OF OWENSVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 6. Long-Term Debt

The Town has entered into a state revolving loan for wastewater improvements. The outstanding principal at December 31, 2006, was \$940,353.

Note 7. Matured Unpaid Bonds and Coupons

The Wastewater Utility has matured unpaid bonds and coupons outstanding, from the 1966 bond issue, in the amount of \$9,812. The funds to pay these unpaid bonds and coupons are reported in the Cash With Fiscal Agent Fund. The remaining balance of that Fund represents interest earned on the account. According to a memo from the bank, because the bonds and coupons were not redeemed within the three year statute of limitations, a corresponding amount was remitted to the Unclaimed Property Division of the State Attorney General's Office, on October 18, 2007. The interest earned on the account will be remitted to the Town and the account will be closed as of December 1, 2007.

TOWN OF OWENSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
State Revolving Loan	\$ 940,353	\$ 14,602

TOWN OF OWENSVILLE
EXAMINATION RESULT AND COMMENT

COLLECTION OF AMOUNTS DUE

We noted a loss in excess of 30% in the amount of water pumped by the Utility as compared to water consumption billed for the year 2006. The percentage of loss has almost doubled since the prior two years. Wastewater charges are computed on water consumption, so that the Utility is also losing revenue.

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF OWENSVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2007, with Kristy York, Clerk-Treasurer; and Bernard Thompson, Council member. The officials concurred with our finding.