

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

EXAMINATION REPORT

OF

TOWN OF WILLIAMSPORT

WARREN COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
12/31/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	William H. Lucas	01-01-04 to 12-31-07
President of the Town Council	Scott Mathis	01-01-05 to 12-31-05
	Richard Briles	01-01-06 to 12-31-06
	Dr. Jon B. Inman	01-01-07 to 12-31-07



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 WILLIAMSPORT, WARREN COUNTY, INDIANA

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

October 18, 2007

TOWN OF WILLIAMSPORT
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	\$ 154,093	\$ 317,825	\$ 310,274	\$ 161,644
Motor Vehicle Highway	140,351	58,620	93,655	105,316
Local Road and Street	5,671	7,051	12,300	422
Park and Recreation	866	29,607	21,791	8,682
Riverboat	24,438	12,201	21,057	15,582
Williamsport DARE	133	-	109	24
Court Fees	4,576	4,305	8,881	-
Swimming Pool	12,919	37,803	32,118	18,604
Community Development Block Grant	30,708	901	-	31,609
Summer Park Program	3,118	14,343	14,791	2,670
Police Radios 2005	-	1,500	-	1,500
Interest on Now Account	835	18,569	16,804	2,600
Cumulative Capital Improvement	6,349	6,951	13,300	-
Cumulative Capital Development	566	14,358	13,280	1,644
Cumulative Building and Firefighting Equipment	53,468	9,561	-	63,029
County Economic Development Income Tax	34,482	22,719	48,832	8,369
Proprietary Funds:				
Water Utility - Operating	38,577	344,280	307,096	75,761
Water Utility - Bond and Interest	47,023	90,904	89,855	48,072
Water Utility - Depreciation	219,293	41,400	51,893	208,800
Water Utility - Customer Deposit	24,785	5,110	3,375	26,520
Water Utility - Debt Service Reserve	54,543	18,180	-	72,723
Wastewater Utility - Operating	451,803	361,149	354,318	458,634
Wastewater Utility - Bond and Interest	95,310	85,706	83,540	97,476
Wastewater Utility - Depreciation	15,078	8,940	-	24,018
Wastewater Utility - Improvement	107,581	-	-	107,581
Light Utility - Operating	782,217	1,709,917	1,541,514	950,620
Light Utility - Depreciation	683,366	77,490	-	760,856
Light Utility - Customer Deposit	84,848	13,375	11,705	86,518
Light Utility - Cash Reserve	61,059	92,988	59,000	95,047
Fiduciary Fund:				
Payroll	-	451,546	451,546	-
Totals	\$ 3,138,056	\$ 3,857,299	\$ 3,561,034	\$ 3,434,321

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 161,644	\$ 406,337	\$ 323,120	\$ 244,861
Motor Vehicle Highway	105,316	70,243	55,451	120,108
Local Road and Street	422	7,282	7,702	2
Park and Recreation	8,682	36,441	24,260	20,863
Riverboat	15,582	12,176	11,440	16,318
Williamsport DARE	24	566	494	96
Court Fees	-	4,327	-	4,327
Swimming Pool	18,604	43,090	33,245	28,449
Community Development Block Grant	31,609	1,087	-	32,696
Summer Park Program	2,670	14,916	14,177	3,409
Police Radios 2005	1,500	-	748	752
Interest on Now Account	2,600	26,356	26,936	2,020
Cumulative Capital Improvement	-	6,913	5,658	1,255
Cumulative Capital Development	1,644	21,183	16,100	6,727
Cumulative Building and Firefighting Equipment	63,029	14,149	-	77,178
County Economic Development Income Tax	8,369	22,075	21,961	8,483
Proprietary Funds:				
Water Utility - Operating	75,761	337,678	334,491	78,948
Water Utility - Bond and Interest	48,072	90,903	90,342	48,633
Water Utility - Depreciation	208,800	39,458	-	248,258
Water Utility - Customer Deposit	26,520	5,625	4,645	27,500
Water Utility - Debt Service Reserve	72,723	18,181	-	90,904
Wastewater Utility - Operating	458,634	355,453	381,626	432,461
Wastewater Utility - Bond and Interest	97,476	85,777	82,237	101,016
Wastewater Utility - Depreciation	24,018	8,195	-	32,213
Wastewater Utility - Improvement	107,581	-	-	107,581
Light Utility - Operating	950,620	1,745,012	1,862,329	833,303
Light Utility - Depreciation	760,856	77,455	-	838,311
Light Utility - Customer Deposit	86,518	16,205	14,190	88,533
Light Utility - Cash Reserve	95,047	92,946	60,000	127,993
Fiduciary Fund:				
Payroll	-	462,025	462,025	-
Totals	\$ 3,434,321	\$ 4,022,054	\$ 3,833,177	\$ 3,623,198

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

TOWN OF WILLIAMSPORT
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: light, water, wastewater, public safety, 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 WILLIAMSPORT
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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% 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:

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.

Note 7. Settlement of Charge

On April 5, 2005, the Town entered into a settlement agreement with Andrea Frodge. The Town agreed to accept \$33,843.41 as payment in full on the restitution agreement. The amount then due was \$78,666.89 (\$65,237.35 to the Utility, \$8,429.54 to the State Board of Accounts, and \$5,000 to repay the bonding company).

The amount collected was allocated as follows: Light \$27,074.73; Water \$2,707.47; and Wastewater \$4,061.21. Amounts due to the State Board of Accounts and bonding company were paid by the Town.

TOWN OF WILLIAMSPORT
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 8. Subsequent Event

The Town passed Ordinance 2007-6 on July 2, 2007. This Ordinance implements phase one of the annexation of businesses and industry North and East of State Road 28. The annexation will cause homes and businesses in that area to fall into the Williamsport taxing district. The consumers are already receiving Town Utility services. Phase one of the annexation process will be complete in February 2008. Upon completion of phase one, phase two will commence. Phase two will start with consumers at the edge of phase one and encompass the industrial park. Phase two is expected to be completed in 2009.

TOWN OF WILLIAMSPORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Business-type Activities:		
Water Utility		
Loans payable:		
Water Improvement Project	\$ 1,089,187	\$ -
Wastewater Utility		
Revenue bonds:		
Sewage Works Improvement Bonds of 2003	1,474,550	15,000
 Total business-type activities long-term debt:	 <u>\$ 2,563,737</u>	 <u>\$ 15,000</u>

TOWN OF WILLIAMSPORT
EXIT CONFERENCE

The contents of this report were discussed on October 18, 2007, with William H. Lucas, Clerk-Treasurer; and Dr. Jon B. Inman, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.