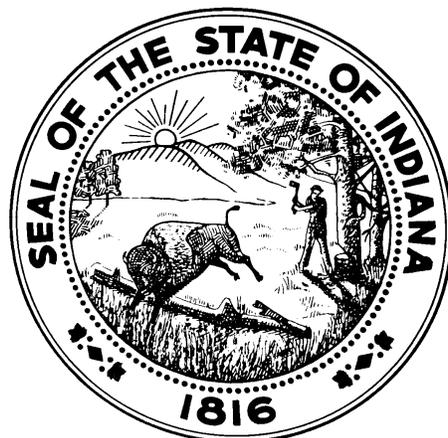


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF LADOGA
MONTGOMERY COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
06/19/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Long-Term Debt	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Viki L. Powers	01-01-04 to 12-31-11
President of the Town Council	Sandra Powers	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LADOGA, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Ladoga (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

May 21, 2008

TOWN OF LADOGA
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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 189,515	\$ 167,287	\$ 165,405	\$ 191,397
Motor Vehicle Highway	80,864	43,963	27,149	97,678
Local Road and Street	17,184	5,303	152	22,335
Law Enforcement Continuing Education	1,308	289	258	1,339
Riverboat	19,825	6,589	19,513	6,901
Rainy Day	35,108	215	29,640	5,683
Cumulative Capital Improvement	23,904	3,787	19,000	8,691
Cumulative Capital Development	50,417	7,837	-	58,254
Storm Water	-	3,900	1,788	2,112
Proprietary Funds:				
Water Utility - Operating	54,150	611,399	568,410	97,139
Water Utility - Customer Deposit	7,858	3,495	2,045	9,308
Wastewater Utility - Operating	157,319	211,604	325,577	43,346
Wastewater Utility - Bond and Interest	1,516	100,442	101,951	7
Wastewater Utility - Reserve	58,872	39	-	58,911
Wastewater Utility - Construction	4,083	284	-	4,367
Electric Utility - Operating	60,039	780,464	647,057	193,446
Electric Utility - Customer Deposit	22,946	7,641	5,046	25,541
Fiduciary Fund:				
Payroll	9,810	242,644	247,639	4,815
Totals	<u>\$ 794,718</u>	<u>\$ 2,197,182</u>	<u>\$ 2,160,630</u>	<u>\$ 831,270</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 191,397	\$ 105,559	\$ 205,299	\$ 91,657
Motor Vehicle Highway	97,678	46,476	83,399	60,755
Local Road and Street	22,335	5,308	20,000	7,643
Law Enforcement Continuing Education	1,339	547	201	1,685
Riverboat	6,901	6,602	6,300	7,203
Rainy Day	5,683	40	5,015	708
Cumulative Capital Improvement	8,691	3,730	-	12,421
Cumulative Capital Development	58,254	4,261	24,018	38,497
Storm Water	2,112	11,709	1,654	12,167
Levy Excess	-	314	-	314
Proprietary Funds:				
Water Utility - Operating	97,139	196,240	176,939	116,440
Water Utility - Customer Deposit	9,308	3,500	2,253	10,555
Wastewater Utility - Operating	43,346	225,791	216,956	52,181
Wastewater Utility - Bond and Interest	7	101,880	101,485	402
Wastewater Utility - Reserve	58,911	33	3,944	55,000
Wastewater Utility - Construction	4,367	250	2,917	1,700
Electric Utility - Operating	193,446	845,086	836,196	202,336
Electric Utility - Customer Deposit	25,541	7,210	5,145	27,606
Fiduciary Fund:				
Payroll	4,815	243,712	244,462	4,065
Totals	<u>\$ 831,270</u>	<u>\$ 1,808,248</u>	<u>\$ 1,936,183</u>	<u>\$ 703,335</u>

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

TOWN OF LADOGA
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, culture and recreation, electric, water, wastewater, 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 LADOGA
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.

TOWN OF LADOGA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

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		
Revenue bonds:		
Sewage Works Refunding Revenue Bonds	\$ <u>193,000</u>	\$ <u>50,370</u>

TOWN OF LADOGA
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2008, with Viki L. Powers, Clerk-Treasurer; and Jeremy L. Chadwick, Town Council member. Our examination disclosed no material items that warrant comment at this time.