

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

EXAMINATION REPORT

OF

TOWN OF WINAMAC

PULASKI COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
10/09/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judy Heater	01-01-04 to 12-31-11
President of the Town Council	Jack Winters	01-01-06 to 12-31-06
	Ronald DeSabatine	01-01-07 to 12-31-07
	John Plowman	01-01-08 to 12-31-08
Town Manager	James M. Conner	01-01-06 to 12-31-08
Superintendent of Water Utility	Kevin Roe	01-01-06 to 12-31-08
Superintendent of Wastewater Utility	Brad Zellers	01-01-06 to 12-31-08
Superintendent of Electric Utility	Scott Hanson	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WINAMAC, PULASKI COUNTY, INDIANA

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

August 19, 2008

TOWN OF WINAMAC  
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
<b>Governmental Funds:</b>				
General	\$ 445,827	\$ 730,908	\$ 721,636	\$ 455,099
Motor Vehicle Highway	289,595	143,650	144,702	288,543
Local Road and Street	44,688	9,491	2,942	51,237
Parks	44,973	88,340	85,332	47,981
Recreation	47,506	39,726	43,708	43,524
Law Enforcement Continuing Education	6,968	847	473	7,342
Riverboat	45,784	15,216	-	61,000
Rainy Day	40,000	-	-	40,000
Cumulative Capital Improvement	35,790	8,638	-	44,428
Cumulative Capital Development	106,997	23,938	19,865	111,070
County Economic Development Income Tax	188,964	40,958	136,885	93,037
Special Cemetery	12,389	600	-	12,989
Parking Violations	1,084	320	361	1,043
Law Enforcement Grant	211	-	-	211
Police Vest Grant	719	-	-	719
Cumulative Storm Sewer Building	30,736	963	119	31,580
Opera House	-	42,500	42,448	52
<b>Proprietary Funds:</b>				
Water Utility - Operating	449,425	663,444	655,782	457,087
Water Utility - Depreciation	136,160	76,604	22,886	189,878
Water Utility - Customer Deposit	42,278	9,544	6,305	45,517
Water Utility - Bond and Interest	351,329	274,988	233,327	392,990
Wastewater Utility - Operating	252,201	448,644	496,269	204,576
Wastewater Utility - Bond and Interest	218,879	125,830	123,340	221,369
Wastewater Utility - Depreciation	1,793	137,767	113,497	26,063
Electric Utility - Operating	2,812,939	4,528,418	4,704,911	2,636,446
Electric Utility - Depreciation	706,770	262,926	182,530	787,166
Electric Utility - Reserve	859,610	130,198	240,000	749,808
Electric Utility - Customer Deposit	142,019	29,555	22,193	149,381
<b>Fiduciary Funds:</b>				
Park Gift	905	21,375	15,130	7,150
Neibert Cemetery	533	522	500	555
Carper Cemetery	3,573	115	50	3,638
Park Sales Tax	-	163	163	-
Payroll	7,209	943,606	942,609	8,206
<b>Totals</b>	<b>\$ 7,327,854</b>	<b>\$ 8,799,794</b>	<b>\$ 8,957,963</b>	<b>\$ 7,169,685</b>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 455,099	\$ 487,399	\$ 742,298	\$ 200,200
Motor Vehicle Highway	288,543	107,664	142,889	253,318
Local Road and Street	51,237	9,343	14,244	46,336
Parks	47,981	25,673	74,342	(688)
Recreation	43,524	14,647	45,100	13,071
Law Enforcement Continuing Education	7,342	1,224	591	7,975
Riverboat	61,000	15,248	-	76,248
Rainy Day	40,000	21,242	-	61,242
Cumulative Capital Improvement	44,428	8,493	-	52,921
Cumulative Capital Development	111,070	5,690	-	116,760
County Economic Development Income Tax	93,037	86,230	51,544	127,723
Special Cemetery	12,989	150	-	13,139
Parking Violations	1,043	180	390	833
Law Enforcement Grant	211	-	211	-
Police Vest Grant	719	-	719	-
Cumulative Storm Sewer Building	31,580	1,327	26	32,881
Opera House	52	552,422	552,425	49
<b>Proprietary Funds:</b>				
Water Utility - Operating	457,087	665,570	715,342	407,315
Water Utility - Depreciation	189,878	57,124	31,997	215,005
Water Utility - Customer Deposit	45,517	11,111	7,355	49,273
Water Utility - Bond and Interest	392,990	266,403	439,559	219,834
Wastewater Utility - Operating	204,576	594,051	369,923	428,704
Wastewater Utility - Bond and Interest	221,369	31,452	123,150	129,671
Wastewater Utility - Depreciation	26,063	312,549	334,786	3,826
Wastewater Utility - Construction	-	1,298,000	1,106,184	191,816
Electric Utility - Operating	2,636,446	4,674,870	4,788,409	2,522,907
Electric Utility - Depreciation	787,166	561,112	553,631	794,647
Electric Utility - Reserve	749,808	133,000	140,000	742,808
Electric Utility - Customer Deposit	149,381	30,663	24,354	155,690
<b>Fiduciary Funds:</b>				
Park Gift	7,150	23,482	-	30,632
Neibert Cemetery	555	6	-	561
Carper Cemetery	3,638	134	50	3,722
Park Sales Tax	-	177	174	3
Payroll	8,206	984,238	984,435	8,009
<b>Totals</b>	<b>\$ 7,169,685</b>	<b>\$ 10,980,874</b>	<b>\$ 11,244,128</b>	<b>\$ 6,906,431</b>

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

TOWN OF WINAMAC  
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 planning and zoning, general administrative services, electric, water, wastewater, and urban redevelopment.

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 WINAMAC  
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. Subsequent Event

The Wastewater Utility is beginning a large sewer separation and plant improvements project, in 2008. The project cost is in excess of \$6,000,000. Funding for the project is going to be provided by a Wastewater Revenue Bond Issue, Community Focus Fund Grant, and unobligated utility funds.

TOWN OF WINAMAC  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2007

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:	
Buildings	\$ 1,062,886
Improvements other than buildings	625,793
Machinery and equipment	<u>1,278,409</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>2,967,088</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,499
Buildings	1,686,241
Improvements other than buildings	1,513,471
Machinery and equipment	68,134
Infrastructure	<u>1,210,329</u>
 Total Water Utility capital assets	 <u>4,482,674</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	47,612
Construction in progress	385,027
Buildings	142,368
Improvements other than buildings	4,435,945
Machinery and equipment	403,485
Infrastructure	<u>167,545</u>
 Total Wastewater Utility capital assets	 <u>5,581,982</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	31,500
Buildings	516,120
Improvements other than buildings	4,091,427
Machinery and equipment	<u>515,379</u>
 Total Electric Utility capital assets	 <u>5,154,426</u>
 Total business-type activities capital assets	 \$ <u>15,219,082</u>

TOWN OF WINAMAC  
 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:		
Water Utility		
Revenue bonds:		
2004 Water Revenue Bonds	\$ 2,320,000	\$ 210,510
Wastewater Utility		
Capital leases:		
Wastewater Sewer Vac	38,954	40,216
Revenue bonds:		
1998 Wastewater Revenue Bonds	120,000	122,760
Bond Anticipation Note	1,000,000	1,015,556
Total Wastewater Utility	1,158,954	1,178,532
 Total business-type activities debt:	 \$ 3,478,954	 \$ 1,389,042

TOWN OF WINAMAC  
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2008, with Judy Heater, Clerk-Treasurer; and James M. Conner, Town Manager. Our examination disclosed no material items that warrant comment at this time.