

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

EXAMINATION REPORT
OF
TOWN OF WALTON
CASS COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/30/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Kim L. Craig

01-01-04 to 12-31-11

President of the
Town Council

Delbert Meador

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WALTON, CASS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Walton (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 28, 2008

TOWN OF WALTON
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	\$ 140,511	\$ 282,090	\$ 218,695	\$ 203,906
Motor Vehicle Highway	209,329	41,572	119,174	131,727
Local Road and Street	81,853	5,963	67,754	20,062
Park and Recreation	5,029	6,635	4,964	6,700
Law Enforcement Continuing Education	2,117	378	-	2,495
Riverboat	18,742	6,727	9,512	15,957
Rainy Day	4,212	-	-	4,212
Economic Development Income Tax	97,594	11,848	10,883	98,559
Cumulative Capital Improvement	67,900	5,261	10,000	63,161
Ordinance Violation	25	-	-	25
Levy Excess	-	8,381	6,290	2,091
Proprietary Funds:				
Water Utility - Operating	57,093	129,188	143,154	43,127
Water Utility - Depreciation	172,916	27,940	7,044	193,812
Water Utility - Customer Deposit	11,499	2,953	2,149	12,303
Wastewater Utility - Operating	243,892	214,346	199,983	258,255
Wastewater Utility - Bond and Interest	25,249	26,982	26,220	26,011
Wastewater Utility - Depreciation	45,261	36,546	34,081	47,726
Wastewater Utility - Customer Deposit	10,942	3,000	2,106	11,836
Fiduciary Fund:				
Payroll	-	174,764	174,763	1
Totals	<u>\$ 1,194,164</u>	<u>\$ 984,574</u>	<u>\$ 1,036,772</u>	<u>\$ 1,141,966</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 203,906	\$ 184,882	\$ 216,497	\$ 172,291
Motor Vehicle Highway	131,727	44,492	7,634	168,585
Local Road and Street	20,062	5,090	2,953	22,199
Park and Recreation	6,700	2,558	5,199	4,059
Law Enforcement Continuing Education	2,495	375	108	2,762
Riverboat	15,957	6,741	4,167	18,531
Rainy Day	4,212	-	180	4,032
Economic Development Income Tax	98,559	15,249	-	113,808
Cumulative Capital Improvement	63,161	5,220	8,082	60,299
Ordinance Violation	25	-	-	25
Levy Excess	2,091	-	2,091	-
Proprietary Funds:				
Water Utility - Operating	43,127	147,128	127,090	63,165
Water Utility - Depreciation	193,812	3,307	11,672	185,447
Water Utility - Customer Deposit	12,303	2,415	1,557	13,161
Wastewater Utility - Operating	258,255	209,561	247,130	220,686
Wastewater Utility - Bond and Interest	26,011	25,805	25,150	26,666
Wastewater Utility - Depreciation	47,726	36,558	3,174	81,110
Wastewater Utility - Customer Deposit	11,836	2,518	1,472	12,882
Fiduciary Fund:				
Payroll	1	180,542	180,543	-
Totals	<u>\$ 1,141,966</u>	<u>\$ 872,441</u>	<u>\$ 844,699</u>	<u>\$ 1,169,708</u>

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

TOWN OF WALTON
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, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, 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. 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 WALTON
 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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 24,758
Infrastructure	1,675,600
Buildings	117,715
Improvements other than buildings	83,363
Machinery and equipment	<u>193,631</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>2,095,067</u>
 Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 7,001
Buildings	6,083
Improvements other than buildings	222,508
Machinery and equipment	<u>81,337</u>
 Total Water Utility capital assets	 <u>316,929</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	5,406
Buildings	6,610
Improvements other than buildings	1,835,084
Machinery and equipment	<u>201,565</u>
 Total Wastewater Utility capital assets	 <u>2,048,665</u>
 Total business-type activities capital assets	 \$ <u>2,365,594</u>

TOWN OF WALTON
 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:		
Plant expansion	\$ 65,000	\$ 1,855

TOWN OF WALTON
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2008 with Kim L. Craig, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.