

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

EXAMINATION REPORT
OF
TOWN OF SWITZ CITY
GREENE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
11/05/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carla Porter	01-01-04 to 12-31-11
President of the Town Council	Don Blanton	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SWITZ CITY, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Switz City (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

September 26, 2008

TOWN OF SWITZ CITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY 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	\$ 11,538	\$ 28,257	\$ 28,685	\$ 11,110
Motor Vehicle Highway	28,459	14,375	30,700	12,134
Local Road and Street	5,014	1,552	1,615	4,951
Sidewalk Project	10,000	-	-	10,000
Cumulative Capital Improvement	9,243	1,111	1,555	8,799
Proprietary Funds:				
Water Utility - Operating	80,245	136,235	143,826	72,654
Water Utility - Bond and Interest	36,979	59,220	51,977	44,222
Water Utility - Depreciation	18,015	12,000	-	30,015
Water Utility - Customer Deposit	11,160	1,250	570	11,840
Water Utility - Construction	794	63,926	64,023	697
Water Utility - Debt Reserve	5,500	6,000	-	11,500
Wastewater Utility - Operating	36,861	93,958	85,151	45,668
Wastewater Utility - Bond and Interest	33,768	25,000	25,666	33,102
Wastewater Utility - Depreciation	44,060	5,000	6,769	42,291
Wastewater Utility - Debt Reserve	25,000	-	-	25,000
Totals	<u>\$ 356,636</u>	<u>\$ 447,884</u>	<u>\$ 440,537</u>	<u>\$ 363,983</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 11,110	\$ 33,056	\$ 32,752	\$ 11,414
Motor Vehicle Highway	12,134	15,451	-	27,585
Local Road and Street	4,951	1,559	389	6,121
Sidewalk Project	10,000	-	-	10,000
Cumulative Capital Improvement	8,799	1,092	3,078	6,813
Rainy Day	-	62	-	62
Excess Levy	-	149	-	149
Proprietary Funds:				
Water Utility - Operating	72,654	128,867	164,958	36,563
Water Utility - Bond and Interest	44,222	59,880	89,528	14,574
Water Utility - Depreciation	30,015	6,000	-	36,015
Water Utility - Customer Deposit	11,840	900	100	12,640
Water Utility - Construction	697	-	-	697
Water Utility - Debt Reserve	11,500	6,000	-	17,500
Wastewater Utility - Operating	45,668	90,103	83,858	51,913
Wastewater Utility - Bond and Interest	33,102	30,000	25,702	37,400
Wastewater Utility - Depreciation	42,291	-	15,865	26,426
Wastewater Utility - Debt Reserve	25,000	-	-	25,000
Totals	<u>\$ 363,983</u>	<u>\$ 373,119</u>	<u>\$ 416,230</u>	<u>\$ 320,872</u>

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

TOWN OF SWITZ CITY
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, 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 SWITZ CITY
 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.

	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Infrastructure	\$ 5,000
Machinery and equipment	785
Total governmental activities, capital assets not being depreciated	\$ 5,785

	Ending Balance
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 20,925
Buildings	185,000
Improvements other than buildings	1,523,742
Machinery and equipment	561,927
Total Water Utility capital assets	2,291,594
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	1,050,000
Machinery and equipment	984,926
Total Wastewater Utility capital assets	2,034,926
Total business-type activities capital assets	\$ 4,326,520

Carla Foster
 Clerk - Treasurer

TOWN OF SWITZ CITY
 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:		
Revenue bonds:		
Wastewater Improvement 2000	\$ 422,300	\$ 25,625
Water Improvement 2005	1,085,000	59,113
Total Revenue Bonds	\$ 1,507,300	\$ 84,738

Carla Porter
 Clerk-Treasurer

TOWN OF SWITZ CITY
EXAMINATION RESULT AND COMMENT

ADVANCE PAYMENTS

Salaries for Clerk-Treasurer and Town Council were paid October 2007, for services January 1, 2007 to December 31, 2007.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SWITZ CITY
EXIT CONFERENCE

The contents of this report were discussed on September 26, 2008, with Carla Porter, Clerk-Treasurer. The official concurred with our finding.