

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

EXAMINATION REPORT

OF

TOWN OF KIRKLIN

CLINTON COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/04/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Mary King

01-01-05 to 12-31-08

President of the Town Council

Walter Minnick
Randy Weaver

01-01-03 to 12-31-07
01-01-08 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 KIRKLIN, CLINTON COUNTY, INDIANA

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

November 3, 2008

TOWN OF KIRKLIN
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	\$ 97,794	\$ 171,869	\$ 173,186	\$ 96,477
Motor Vehicle Highway	60,697	34,433	40,125	55,005
Local Road and Street	7,477	3,565	10,000	1,042
Park and Recreation	6,524	1,035	-	7,559
Law Enforcement Continuing Education	753	494	942	305
Rainy Day	8,366	-	-	8,366
Youth	1,141	220	-	1,361
Garbage Pickup	8,735	23,098	22,801	9,032
Levy Excess	-	2,703	-	2,703
Grant	-	2,000	-	2,000
Cumulative Capital Improvement	19,135	5,469	13,031	11,573
Cumulative Capital Development	22,707	8,291	142	30,856
County Economic Development Income Tax	27,153	10,255	14,076	23,332
Proprietary Funds:				
Water Utility - Operating	22,286	167,708	176,608	13,386
Water Utility - Bond and Interest	-	15,140	12,670	2,470
Water Utility - Customer Deposit	15,903	3,865	3,175	16,593
Water Utility - Construction	7	138,424	138,424	7
Wastewater Utility - Operating	63,441	114,354	158,583	19,212
Fiduciary Fund:				
Payroll	3,585	178,523	178,083	4,025
Totals	<u>\$ 365,704</u>	<u>\$ 881,446</u>	<u>\$ 941,846</u>	<u>\$ 305,304</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 96,477	\$ 139,820	\$ 183,216	\$ 53,081
Motor Vehicle Highway	55,005	34,667	48,642	41,030
Local Road and Street	1,042	3,589	-	4,631
Park and Recreation	7,559	1,150	3,656	5,053
Law Enforcement Continuing Education	305	761	40	1,026
Rainy Day	8,366	4,366	8,366	4,366
Youth	1,361	35	-	1,396
Garbage Pickup	9,032	22,682	31,034	680
Levy Excess	2,703	4,879	2,703	4,879
Grant	2,000	17,982	19,982	-
Cumulative Capital Improvement	11,573	2,690	7,039	7,224
Cumulative Capital Development	30,856	4,698	285	35,269
County Economic Development Income Tax	23,332	10,582	16,174	17,740
Proprietary Funds:				
Water Utility - Operating	13,386	124,780	127,655	10,511
Water Utility - Bond and Interest	2,470	21,300	13,416	10,354
Water Utility - Customer Deposit	16,593	3,205	3,120	16,678
Water Utility - Construction	7	-	-	7
Wastewater Utility - Operating	19,212	114,746	98,632	35,326
Fiduciary Fund:				
Payroll	4,025	161,447	161,669	3,803
Totals	<u>\$ 305,304</u>	<u>\$ 673,379</u>	<u>\$ 725,629</u>	<u>\$ 253,054</u>

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

TOWN OF KIRKLIN
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, health and social services, 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. 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 KIRKLIN
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 (those reported by governmental activities) are included regardless of their acquisition date or amount. 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	\$ 8,007
Infrastructure	21,316
Buildings	213,576
Improvements other than buildings	114,257
Machinery and equipment	<u>162,622</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 519,778</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 29,237
Buildings	850,499
Improvements other than buildings	573,452
Machinery and equipment	<u>148,690</u>
Total Water Utility capital assets	<u>1,601,878</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	6,736
Buildings	948,698
Improvements other than buildings	732,955
Machinery and equipment	<u>339,990</u>
Total Wastewater Utility capital assets	<u>2,028,379</u>
Total business-type activities capital assets	<u>\$ 3,630,257</u>

TOWN OF KIRKLIN
 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		
Notes and loans payable	\$ 105,423	\$ 13,398
Total Water Utility	<u>105,423</u>	<u>13,398</u>
Total business-type activities debt:	<u>\$ 105,423</u>	<u>\$ 13,398</u>

TOWN OF KIRKLIN
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2008, with Mary King, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.