

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

EXAMINATION REPORT
OF
TOWN OF LEWISVILLE
HENRY COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Catherine Sue Saunders	01-01-04 to 12-31-11
President of the Town Council	Jeffery Meeker	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LEWISVILLE, HENRY COUNTY, INDIANA

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

October 30, 2008

TOWN OF LEWISVILLE
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	\$ 3,474	\$ 56,406	\$ 56,624	\$ 3,256
Motor Vehicle Highway	15,264	19,256	15,995	18,525
Local Road and Street	3,020	2,452	1,177	4,295
Riverboat	2,807	2,486	2,413	2,880
Rainy Day	358	222	-	580
Trash	7,471	26,132	23,971	9,632
Fire	855	-	-	855
Community Center	3,181	7,827	9,333	1,675
Cumulative Capital Improvement	1,066	1,411	2,100	377
Proprietary Funds:				
Water Utility - Operating	11,679	211,937	205,275	18,341
Water Utility - Bond and Interest	6,054	74,098	46,115	34,037
Water Utility - Depreciation	12,394	7,550	8,604	11,340
Water Utility - Customer Deposit	6,574	980	1,108	6,446
Water Utility - SRF Debt Reserve	41,101	5,426	-	46,527
Water Utility - Reserve	35,891	1,475	30,000	7,366
Electric Utility - Operating	39,226	217,333	194,747	61,812
Electric Utility - Customer Deposit	7,901	1,471	1,503	7,869
Fiduciary Fund:				
Payroll	(107)	61,640	61,481	52
Totals	<u>\$ 198,209</u>	<u>\$ 698,102</u>	<u>\$ 660,446</u>	<u>\$ 235,865</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 3,256	\$ 53,327	\$ 53,135	\$ 3,448
Motor Vehicle Highway	18,525	19,226	13,071	24,680
Local Road and Street	4,295	2,446	1,174	5,567
Riverboat	2,880	2,491	2,500	2,871
Rainy Day	580	4,880	-	5,460
Trash	9,632	26,216	25,612	10,236
Fire	855	-	400	455
Community Center	1,675	8,273	9,424	524
Cumulative Capital Improvement	377	1,387	-	1,764
Proprietary Funds:				
Water Utility - Operating	18,341	186,248	166,832	37,757
Water Utility - Bond and Interest	34,037	43,143	69,445	7,735
Water Utility - Depreciation	11,340	11,325	7,071	15,594
Water Utility - Customer Deposit	6,446	1,340	350	7,436
Water Utility - Construction	46,527	695	-	47,222
Water Utility - Improvement	7,366	-	-	7,366
Wastewater Utility - Operating	61,812	235,568	212,503	84,877
Wastewater Utility - Customer Deposit	7,869	1,340	510	8,699
Fiduciary Fund:				
Payroll	52	57,988	57,622	418
Totals	<u>\$ 235,865</u>	<u>\$ 655,893</u>	<u>\$ 619,649</u>	<u>\$ 272,109</u>

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

TOWN OF LEWISVILLE
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, general administrative services and water and electric 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 LEWISVILLE
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 LEWISVILLE
 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 have been omitted.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 37,300
Buildings	755,700
Improvements other than buildings	6,384
Machinery and equipment	37,417
 Total governmental activities, capital assets not being depreciated	 \$ 836,801

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 1,500
Capital assets, being depreciated:	
Buildings	572,443
Improvements other than buildings	41,142
Machinery and equipment	1,977,811
 Total Water Utility capital assets	 2,592,896

Electric Utility:	
Capital assets, not being depreciated:	
Land	1,175
Capital assets, being depreciated:	
Buildings	36,282
Improvements other than buildings	3,150
Machinery and equipment	90,823
 Total Electric Utility capital assets	 131,430

Total business-type activities capital assets	\$ 2,724,326
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TOWN OF LEWISVILLE
 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:		
Ozone equipment for water utility	\$ 31,715	\$ 8,604
Utility office renovations	6,036	6,589
Revenue bonds:		
2002 Waterworks Improvements	399,000	6,983
2003 Waterworks Improvements	<u>46,000</u>	<u>6,523</u>
Total Water Utility	<u>482,751</u>	<u>28,699</u>
Total business-type activities debt:	<u>\$ 482,751</u>	<u>\$ 28,699</u>

TOWN OF LEWISVILLE
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The annual report for Year 2006 was not presented for examination. The annual report for Year 2007 was prepared on August 27, 2008.

Indiana Code 5-3-1-3(a) states in part:

"Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

OFFICIAL BOND

An official bond for the Clerk-Treasurer was not filed in the Office of the County Recorder for the period from January 1, 2004 to December 30, 2006. An official bond was obtained for the period from December 31, 2006 to December 31, 2009, and filed in the Office of the County Recorder on August 22, 2008.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

TOWN OF LEWISVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with Catherine Sue Saunders, Clerk-Treasurer; and Jeffery Meeker, President of the Town Council. The officials concurred with our findings.