

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

EXAMINATION REPORT
OF
CITY OF ANGOLA
STEUBEN COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
10/05/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debra A. Twitchell	01-01-08 to 12-31-11
Mayor	Richard M. Hickman	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Richard M. Hickman	01-01-08 to 12-31-11
President of the Common Council	Richard M. Hickman	01-01-08 to 12-31-11
Superintendent of Water Utility	Daniel D. Olis	01-01-08 to 12-31-09
Superintendent of Wastewater Utility	Craig Williams	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF ANGOLA, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of the City of Angola (City), for the period of January 1, 2008 to December 31, 2008. The City'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 City for the year ended December 31, 2008, 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 8, 2009

CITY OF ANGOLA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,219,702	\$ 4,351,945	\$ 4,566,835	\$ 1,004,812
Motor Vehicle Highway	519,710	1,290,071	1,034,509	775,272
Local Road and Street	85,819	37,831	60,254	63,396
Parks and Recreation	153,260	494,950	382,289	265,921
Park Nonreverting Capital	4,848	8,141	769	12,220
Law Enforcement Continuing Education	26,271	16,409	16,525	26,155
Police Operations	2,000	-	550	1,450
Hazmat Response	10,005	11,983	4,063	17,925
Riverboat	78,277	46,069	16,320	108,026
Rainy Day	90,000	6,399	-	96,399
Donation	46,769	44,151	37,996	52,924
Cumulative Capital Improvement	53,376	23,883	38,444	38,815
CEDIT	544,011	436,298	474,120	506,189
Cumulative Capital Development	-	45,987	-	45,987
Local Major Moves Construction	3,765,827	515,632	14,289	4,267,170
Federal Grants	-	6,244	6,244	-
Proprietary Funds:				
Water Utility - Operating	188,230	1,737,779	1,738,441	187,568
Water Utility - Bond & Interest	451,259	474,857	429,827	496,289
Water Utility - Customer Deposit	40,935	19,980	18,005	42,910
Water Utility - Construction	1,824,321	293,184	1,552,018	565,487
Water Utility - Improvement	823,934	198,112	44,022	978,024
Wastewater Utility - Operating	227,125	2,240,002	2,161,642	305,485
Wastewater Utility - Bond & Interest	753,701	756,559	731,371	778,889
Wastewater Utility - Improvement	495,780	157,113	308,192	344,701
Self-Insurance	4,631	839,578	832,387	11,822
Fiduciary Funds:				
Police Officers' Pension	153,613	336,500	230,549	259,564
Payroll	50,551	1,287,884	1,288,467	49,968
Escrow	22,235	142,475	139,575	25,135
Totals	<u>\$ 11,636,190</u>	<u>\$ 15,820,016</u>	<u>\$ 16,127,703</u>	<u>\$ 11,328,503</u>

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

CITY OF ANGOLA
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban development.

Note 2. Fund Accounting

The City 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 City 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.

CITY OF ANGOLA
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City 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 City 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.

CITY OF ANGOLA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2008

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	\$ 2,547,374
Infrastructure	7,493,126
Buildings	3,918,156
Improvements other than buildings	391,420
Machinery and equipment	3,513,180
Construction in progress	<u>879,228</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,742,484</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 56,533
Construction in progress	27,720
Capital assets, being depreciated:	
Buildings	3,555,380
Improvements other than buildings	7,390
Infrastructure	5,635,969
Machinery and equipment	<u>2,024,336</u>
Total Water Utility capital assets	<u>11,307,328</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	26,625
Construction in progress	13,228
Capital assets, being depreciated:	
Buildings	6,963,852
Improvements other than buildings	31,970
Infrastructure	16,902,178
Machinery and equipment	<u>1,869,839</u>
Total Wastewater Utility capital assets	<u>25,807,692</u>
Total business-type activities capital assets	<u>\$ 37,115,020</u>

CITY OF ANGOLA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2008

Description of Liability	Ending Balance	Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
1998 Waterworks revenue bonds	\$ 1,300,000	\$ 90,000
2002 Waterworks revenue bonds	840,000	50,000
2007 Waterworks revenue bonds	<u>2,405,000</u>	<u>95,000</u>
Total Water Utility	<u>4,545,000</u>	<u>235,000</u>
Wastewater Utility:		
1997 Sewage works revenue bonds	1,385,000	-
2004 Sewage works revenue bonds	2,520,000	-
State revolving fund loan	<u>3,440,000</u>	<u>-</u>
Total Wastewater Utility	<u>7,345,000</u>	<u>-</u>
Total business-type activities long-term debt	<u>\$ 11,890,000</u>	<u>\$ 235,000</u>

CITY OF ANGOLA
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2009, with Debra A. Twitchell, Clerk-Treasurer; and Richard M. Hickman, Mayor. Our examination disclosed no material items that warrant comment at this time.