

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

EXAMINATION REPORT
OF
TOWN OF KEWANNA
FULTON COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
10/29/2009

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Karen J. Good
Jenny C. Kay

01-01-04 to 12-31-07
01-01-08 to 12-31-11

President of the
Town Council

Donald Woolington
Jeff Finke

01-01-07 to 12-31-07
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 TOWN OF KEWANNA, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Kewanna (Town), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 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 15, 2009

TOWN OF KEWANNA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 35,807	\$ 165,081	\$ 148,278	\$ 52,610
Motor Vehicle Highway	23,172	67,149	38,268	52,053
Local Road and Street	2,712	2,876	1,742	3,846
Brownsfield Loan	2,226	-	2,226	-
Law Enforcement Continuing Education	-	105	65	40
Community Host	33,844	1,273	410	34,707
Riverboat	15,490	3,871	-	19,361
Rainy Day	33,101	6,893	-	39,994
Donation	2,500	-	2,500	-
Cumulative Capital Improvement	26,901	2,891	20,000	9,792
Cumulative Capital Improvement - Tax Levy	37,159	21,524	8,949	49,734
Proprietary Funds:				
Water Utility - Operating	45,225	110,442	110,722	44,945
Water Utility - Bond and Interest	13,566	38,400	37,980	13,986
Water Utility - Debt Reserve	38,057	1,011	-	39,068
Water Utility - Customer Deposit	6,275	1,300	1,475	6,100
Water Utility - Improvement	5,692	6,000	7,432	4,260
Wastewater Utility - Operating	29,275	119,750	111,724	37,301
Wastewater Utility - Bond and Interest	803	45,600	43,627	2,776
Wastewater Utility - Debt Reserve	47,587	1,974	-	49,561
Wastewater Utility - Improvement	6,415	4,800	4,830	6,385
Totals	<u>\$ 405,807</u>	<u>\$ 600,940</u>	<u>\$ 540,228</u>	<u>\$ 466,519</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 52,610	\$ 165,236	\$ 155,512	\$ 62,334
Motor Vehicle Highway	52,053	57,142	73,197	35,998
Local Road and Street	3,846	2,747	1,100	5,493
Law Enforcement Continuing Education	40	30	60	10
Police REMC Round Up Grant	-	500	259	241
Community Host	34,707	43,195	54,249	23,653
Riverboat	19,361	3,852	15,000	8,213
Rainy Day	39,994	25,756	35,000	30,750
Cumulative Capital Improvement	9,792	2,255	214	11,833
Cumulative Capital Improvement - Tax Levy	49,734	18,102	35,153	32,683
Proprietary Funds:				
Water Utility - Operating	44,945	109,247	107,591	46,601
Water Utility - Bond and Interest	13,986	38,400	37,508	14,878
Water Utility - Debt Reserve	39,068	1,049	-	40,117
Water Utility - Customer Deposit	6,100	1,250	550	6,800
Water Utility - Improvement	4,260	6,000	-	10,260
Wastewater Utility - Operating	37,301	120,520	120,727	37,094
Wastewater Utility - Bond and Interest	2,776	43,200	42,548	3,428
Wastewater Utility - Debt Reserve	49,561	1,888	-	51,449
Wastewater Utility - Construction	-	269,203	241,798	27,405
Wastewater Utility - Improvement	6,385	6,000	-	12,385
Totals	<u>\$ 466,519</u>	<u>\$ 915,572</u>	<u>\$ 920,466</u>	<u>\$ 461,625</u>

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

TOWN OF KEWANNA
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, water, and wastewater 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 KEWANNA
 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 7,530
Buildings	138,265
Improvements other than buildings	84,797
Machinery and equipment	<u>210,523</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>441,115</u>
 <u>Primary Government</u>	
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 32,863
Buildings	40,795
Improvements other than buildings	2,026,004
Machinery and equipment	<u>82,667</u>
 Total Water Utility capital assets	 <u>2,182,329</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	557,399
Buildings	362,860
Improvements other than buildings	2,322,258
Machinery and equipment	<u>194,033</u>
 Total Wastewater Utility capital assets	 <u>3,436,550</u>
 Total business-type activities capital assets	 \$ <u>5,618,879</u>

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

Description of Asset	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable		
FEDCO Loan	\$ 43,000	\$ 8,600
Brownsfield Loan	<u>1,222</u>	<u>1,252</u>
Total governmental activities long-term debt	<u>\$ 44,222</u>	<u>\$ 9,852</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks construction/improvement	<u>\$ 534,000</u>	<u>\$ 38,036</u>
Wastewater Utility:		
Revenue bonds:		
Wastewater construction/improvement	<u>355,000</u>	<u>46,447</u>
Total business-type activities long-term debt	<u>\$ 889,000</u>	<u>\$ 84,483</u>

TOWN OF KEWANNA
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2009, with Jenny C. Kay, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.