

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

EXAMINATION REPORT
OF
TOWN OF FRANCISCO
GIBSON COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/30/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information: Schedule of Capital Assets.....	6
Schedule of Long-Term Debt	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Jonnie Watkins

01-01-04 to 12-31-11

President of the
Town Council

David McFetridge

01-01-07 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 FRANCISCO, GIBSON COUNTY, INDIANA

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

November 4, 2009

TOWN OF FRANCISCO
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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 32,319	\$ 78,283	\$ 70,261	\$ 40,341
Motor Vehicle Highway	21,204	23,525	26,937	17,792
Local Road and Street	7,568	2,771	3,339	7,000
Law Enforcement Continuing Education	132	140	-	272
Riverboat	6,841	3,424	1,551	8,714
Donation	751	15,373	15,000	1,124
Cumulative Capital Improvement	51	2,144	2,192	3
County Economic Development Income Tax	19,680	9,850	-	29,530
SITCO Deposit	1,000	-	-	1,000
Housing Lien Payback	6,902	3,959	-	10,861
Proprietary Funds:				
Water Utility - Operating	33,782	298,839	286,075	46,546
Water Utility - Depreciation	7,500	-	-	7,500
Water Utility - Customer Deposit	17,745	4,800	2,794	19,751
Wastewater Utility - Operating	7,068	85,456	76,194	16,330
Wastewater Utility - Bond and Interest	56,763	70,980	71,318	56,425
Wastewater Utility - Depreciation	4,800	-	278	4,522
Wastewater Utility - Reserve	25,682	7,167	-	32,849
Wastewater Utility - Revenue	-	163,603	163,603	-
Fiduciary Fund:				
Payroll	5,035	72,173	77,208	-
Totals	<u>\$ 254,823</u>	<u>\$ 842,487</u>	<u>\$ 796,750</u>	<u>\$ 300,560</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 40,341	\$ 62,425	\$ 64,518	\$ 38,248
Motor Vehicle Highway	17,792	18,777	10,628	25,941
Local Road and Street	7,000	2,655	4,491	5,164
Law Enforcement Continuing Education	272	340	-	612
Riverboat	8,714	-	1,849	6,865
Donation	1,124	-	-	1,124
Cumulative Capital Improvement	3	1,766	1,769	-
County Economic Development Income Tax	29,530	10,280	8,500	31,310
SITCO Deposit	1,000	-	-	1,000
Housing Lien Payback	10,861	3,121	-	13,982
Proprietary Funds:				
Water Utility - Operating	46,546	323,505	306,774	63,277
Water Utility - Depreciation	7,500	-	-	7,500
Water Utility - Customer Deposit	19,751	4,050	2,090	21,711
Wastewater Utility - Operating	16,330	87,216	90,211	13,335
Wastewater Utility - Bond and Interest	56,425	71,305	70,642	57,088
Wastewater Utility - Depreciation	4,522	50	-	4,572
Wastewater Utility - Reserve	32,849	7,695	-	40,544
Wastewater Utility - Revenue	-	165,531	165,531	-
Fiduciary Fund:				
Payroll	-	83,123	83,123	-
Totals	<u>\$ 300,560</u>	<u>\$ 841,839</u>	<u>\$ 810,126</u>	<u>\$ 332,273</u>

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

TOWN OF FRANCISCO
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, highways and streets, general administrative services, water and wastewater.

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 FRANCISCO
 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	\$ 20,619
Buildings	107,256
Improvements other than buildings	25,962
Machinery and equipment	<u>309,227</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 463,064</u>
 Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 8,288
Buildings	7,058
Improvements other than buildings	319,348
Machinery and equipment	<u>8,348</u>
 Total Water Utility capital assets	 <u>343,042</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	214,350
Buildings	376,944
Improvements other than buildings	4,349,182
Machinery and equipment	<u>26,099</u>
 Total Wastewater Utility capital assets	 <u>4,966,575</u>
 Total business-type activities capital assets	 <u>\$ 5,309,617</u>

TOWN OF FRANCISCO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Loan payable:		
Refund outstanding bonds	\$ 42,066	\$ 3,451
Total Water Utility	<u>42,066</u>	<u>3,451</u>
Wastewater Utility:		
Capital lease payable:		
Mower	3,594	2,845
Revenue bonds:		
Construction of Wastewater Utility	<u>1,229,000</u>	<u>70,945</u>
Total Wastewater Utility	<u>1,232,594</u>	<u>73,790</u>
Total business-type activities debt	<u>\$ 1,274,660</u>	<u>\$ 77,241</u>

TOWN OF FRANCISCO
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2009, with Jonnie Watkins, Clerk-Treasurer; and David McFetridge, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.

A separate telephone exit conference was held with Town Council members Jerry McKannan and Kyla Krieg.