

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

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



FILED
01/19/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Kristy York

01-01-04 to 12-31-11

President of the
Town Council

Michael Taylor
Dale Henry

01-01-07 to 12-31-07
01-01-08 to 12-31-09



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF OWENSVILLE, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Owensville (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 Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 9, 2009

TOWN OF OWENSVILLE
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	\$ 269,695	\$ 207,729	\$ 208,738	\$ 268,686
Motor Vehicle Highway	154,388	154,200	127,904	180,684
Local Road and Street	43,061	6,410	16,345	33,126
Park and Recreation	61,358	107,987	91,298	78,047
Law Enforcement Continuing Education	3,296	529	292	3,533
Riverboat	29,802	9,289	3,365	35,726
Rainy Day	70,042	14,825	-	84,867
Donation	-	5,000	5,000	-
Cumulative Capital Improvement	47,768	6,659	83	54,344
Cumulative Capital Development	66,219	8,405	3,774	70,850
Economic Development Income Tax	351,553	72,171	175,448	248,276
Proprietary Funds:				
Water Utility - Operating	68,548	216,360	234,801	50,107
Water Utility - Depreciation	80,962	16,608	-	97,570
Water Utility - Customer Deposit	11,805	5,675	5,343	12,137
Wastewater Utility - Operating	115,748	317,939	325,761	107,926
Wastewater Utility - Bond and Interest	76,438	106,138	175,276	7,300
Wastewater Utility - Debt Service	-	92,664	-	92,664
Wastewater Utility - Cash with Fiscal Agent	11,331	480	11,811	-
Fiduciary Funds:				
Excess Levy	23,454	13,982	13,426	24,010
Payroll	319	380,493	380,812	-
Totals	<u>\$ 1,485,787</u>	<u>\$ 1,743,543</u>	<u>\$ 1,779,477</u>	<u>\$ 1,449,853</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 268,686	\$ 208,737	\$ 254,033	\$ 223,390
Motor Vehicle Highway	180,684	145,602	77,001	249,285
Local Road and Street	33,126	5,338	-	38,464
Park and Recreation	78,047	113,380	110,089	81,338
Law Enforcement Continuing Education	3,533	947	835	3,645
Riverboat	35,726	582	500	35,808
Rainy Day	84,867	10,289	-	95,156
Cumulative Capital Improvement	54,344	5,029	21,404	37,969
Cumulative Capital Development	70,850	6,815	15,651	62,014
Economic Development Income Tax	248,276	75,198	35,861	287,613
Proprietary Funds:				
Water Utility - Operating	50,107	197,457	240,537	7,027
Water Utility - Depreciation	97,570	15,594	-	113,164
Water Utility - Customer Deposit	12,137	6,500	5,100	13,537
Wastewater Utility - Operating	107,926	309,934	330,673	87,187
Wastewater Utility - Bond and Interest	7,300	86,400	85,480	8,220
Wastewater Utility - Debt Service	92,664	82,448	80,000	95,112
Fiduciary Funds:				
Firefighters' Pension	24,010	13,028	10,028	27,010
Payroll	-	389,474	389,346	128
Totals	<u>\$ 1,449,853</u>	<u>\$ 1,672,752</u>	<u>\$ 1,656,538</u>	<u>\$ 1,466,067</u>

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

TOWN OF OWENSVILLE
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.

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.

Note 6. Long-Term Debt

The Town has entered into a state revolving loan for wastewater improvements. The outstanding principal at December 31, 2008, was \$828,453.

Note 7. Subsequent Event

The Town increased the water rates by 40% in January 2009.

TOWN OF OWENSVILLE
 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:		
Wastewater Utility:		
State Revolving Loan	\$ 828,453	\$ 12,841

TOWN OF OWENSVILLE
EXAMINATION RESULT AND COMMENT

ACCOUNTABLE ITEMS – (Applies to Water and Wastewater Utility)

We noted a loss of approximately 22% in 2007 and 24% in 2008 in the amount of water pumped by the Utility as compared to water consumption billed for the corresponding years. The percentage of loss has declined from the prior year, but is still high. Wastewater charges are computed on water consumption, so the Wastewater Utility is also losing revenue.

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF OWENSVILLE
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2009, with Kristy York, Clerk-Treasurer; and Bernard Thompson, Council member. The officials concurred with our finding.