

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

EXAMINATION REPORT
OF
TOWN OF LEAVENWORTH
CRAWFORD COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
01/26/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bonnie Young	01-01-04 to 12-31-11
President of the Town Council	John W. Stutzman	01-01-07 to 12-31-09
Superintendent of Utilities	Edward H. Young	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 LEAVENWORTH, CRAWFORD COUNTY, INDIANA

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

December 22, 2009

TOWN OF LEAVENWORTH
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	\$ 49,707	\$ 15,507	\$ 27,227	\$ 37,987
Motor Vehicle Highway	19,167	12,702	9,664	22,205
Local Road and Street	3,207	2,057	510	4,754
Park and Dam	8,498	8,950	9,252	8,196
Law Enforcement Continuing Education	141	113	-	254
Riverboat	42,598	33,448	37,281	38,765
Cemetery	27,220	3,022	4,100	26,142
Fire Protection	27,532	43,107	40,476	30,163
Planning Commission	4,213	24,320	26,568	1,965
Leavenworth Community Center	926	6,780	5,309	2,397
Cumulative Capital Improvement	8,699	1,240	509	9,430
Economic Development Income Tax	14,223	11,518	15,680	10,061
Proprietary Funds:				
Water Utility - Operating	62,194	114,088	139,651	36,631
Water Utility - Customer Deposit	4,343	255	-	4,598
Wastewater Utility - Operating	137,732	207,977	195,110	150,599
Wastewater Utility - Bond and Interest	15,947	84,053	100,000	-
Wastewater Utility - Depreciation	1,200	-	-	1,200
Totals	<u>\$ 427,547</u>	<u>\$ 569,137</u>	<u>\$ 611,337</u>	<u>\$ 385,347</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 37,987	\$ 37,817	\$ 25,826	\$ 49,978
Motor Vehicle Highway	22,205	9,533	7,070	24,668
Local Road and Street	4,754	1,919	516	6,157
Park and Dam	8,196	9,029	8,815	8,410
Law Enforcement Continuing Education	254	90	-	344
Riverboat	38,765	33,035	28,787	43,013
Rainy Day	-	1,195	-	1,195
Cemetery	26,142	3,796	4,150	25,788
Fire Protection	30,163	54,220	60,488	23,895
Planning Commission	1,965	16,240	17,986	219
Leavenworth Community Center	2,397	4,490	5,657	1,230
Cumulative Capital Improvement	9,430	1,148	1,241	9,337
Economic Development Income Tax	10,061	10,883	17,717	3,227
Proprietary Funds:				
Water Utility - Operating	36,631	126,252	131,758	31,125
Water Utility - Customer Deposit	4,598	60	-	4,658
Wastewater Utility - Operating	150,599	234,034	244,938	139,695
Wastewater Utility - Bond and Interest	-	121,000	112,944	8,056
Wastewater Utility - Depreciation	1,200	-	-	1,200
Totals	<u>\$ 385,347</u>	<u>\$ 664,741</u>	<u>\$ 667,893</u>	<u>\$ 382,195</u>

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

TOWN OF LEAVENWORTH
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 (police and fire), highway and streets, public improvements, culture and recreation, planning and zoning, general administrative, 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 LEAVENWORTH
 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	\$ 80,000
Buildings	796,998
Improvements other than buildings	15,382
Machinery and equipment	<u>73,138</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 965,518</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	\$ 1,187,984
Machinery and equipment	<u>66,919</u>
 Total Water Utility capital assets	 <u>1,254,903</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	108,600
Buildings	796,866
Improvements other than buildings	3,485,069
Machinery and equipment	<u>29,541</u>
 Total Wastewater Utility capital assets	 <u>4,420,076</u>
 Total business-type activities capital assets	 <u>\$ 5,674,979</u>

TOWN OF LEAVENWORTH
 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
Governmental activities:		
Notes and loans payable	<u>\$ 111,372</u>	<u>\$ 18,198</u>
Business-type activities:		
Water Utility:		
Notes and loans payable	<u>\$ 8,942</u>	<u>\$ 9,167</u>
Wastewater Utility:		
Notes and loans payable	1,056,000	115,624
Revenue bonds:		
1981 Wastewater Improvements	<u>74,000</u>	<u>9,100</u>
Total Wastewater Utility	<u>1,130,000</u>	<u>124,724</u>
Total business-type activities debt	<u>\$ 1,138,942</u>	<u>\$ 133,891</u>

TOWN OF LEAVENWORTH
EXAMINATION RESULT AND COMMENT

DELINQUENT WASTEWATER ACCOUNTS

The Wastewater Utility has several accounts that are more than 90 days in arrears, and the delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

IC 36-9-23-33 states in part:

"(a) An officer . . . may defer enforcing the collection of unpaid fees and penalties under this chapter until the fees and penalties have been due and unpaid for at least ninety (90) days."

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
 - (B) A description of the premises, as shown by the records of the county auditor.
 - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May . . ."

TOWN OF LEAVENWORTH
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2009, with Bonnie Young, Clerk-Treasurer; and John W. Stutzman, President of the Town Council. The officials concurred with our finding.