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

EXAMINATION REPORT
OF
TOWN OF WORTHINGTON
GREENE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/06/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Gloria Klass

01-01-08 to 12-31-11

President of the
Town Council

William H. Harp

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WORTHINGTON, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Worthington (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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 16, 2010

TOWN OF WORTHINGTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ (1,749)	\$ 428,628	\$ 408,543	\$ 18,336
Motor Vehicle Highway	66,103	88,103	144,292	9,914
Local Road and Street	12,971	6,888	6,869	12,990
Park and Recreation	6,573	18,659	10,140	15,092
Law Enforcement Continuing Education	3,325	765	725	3,365
Police Donation	5,012	37,552	17,069	25,495
Fire Donation	55	-	-	55
Community Building	6,343	4,175	4,051	6,467
Cumulative Capital Improvement	44,459	104,817	144,535	4,741
Cumulative Capital Development	2,919	-	-	2,919
Ordinance Violation	1,614	-	-	1,614
Rainy Day	571	8,674	-	9,245
Wastewater Utility - Operating	355,495	423,767	428,144	351,118
Wastewater Utility - Bond and Interest	33,541	223,541	220,828	36,254
Wastewater Utility - Depreciation	48,344	53,239	35,000	66,583
Wastewater Utility - Debt Reserve	210,723	3,864	-	214,587
Fiduciary Fund:				
Payroll	-	190,561	190,561	-
Totals	<u>\$ 796,299</u>	<u>\$ 1,593,233</u>	<u>\$ 1,610,757</u>	<u>\$ 778,775</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 18,336	\$ 355,552	\$ 303,938	\$ 69,950
Motor Vehicle Highway	9,914	90,669	83,949	16,634
Local Road and Street	12,990	6,583	11,602	7,971
Park and Recreation	15,092	31,526	34,406	12,212
Fire Protection Territory	-	14,000	9,777	4,223
Law Enforcement Continuing Education	3,365	1,346	250	4,461
Police Donation	25,495	8,939	16,966	17,468
Fire Donation	55	-	-	55
Housing Rehab	-	2,656	-	2,656
Community Building	6,467	4,000	2,886	7,581
Cumulative Capital Improvement	4,741	4,541	1,100	8,182
Cumulative Capital Development	2,919	-	-	2,919
Ordinance Violation	1,614	-	-	1,614
Rainy Day	9,245	2,917	11,000	1,162
Wastewater Utility - Operating	351,118	446,451	486,712	310,857
Wastewater Utility - Bond and Interest	36,254	222,284	220,977	37,561
Wastewater Utility - Depreciation	66,583	118,179	-	184,762
Wastewater Utility - Debt Reserve	214,587	1,321	-	215,908
Fiduciary Fund:				
Payroll	-	183,693	183,693	-
Totals	<u>\$ 778,775</u>	<u>\$ 1,494,657</u>	<u>\$ 1,367,256</u>	<u>\$ 906,176</u>

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

TOWN OF WORTHINGTON
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, wastewater and general administrative 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.

TOWN OF WORTHINGTON
NOTES TO FINANCIAL INFORMATION
(Continued)

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. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town 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 Town 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.

TOWN OF WORTHINGTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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	\$ 66,569
Buildings	1,172,839
Improvements other than buildings	3,731
Machinery and equipment	111,726
Office equipment	<u>1,796</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,356,661</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Land	\$ 66,569
Buildings	40,990
Improvements other than buildings	6,791,572
Machinery and equipment	143,699
Office equipment	<u>14,497</u>
 Total Wastewater Utility capital assets	 <u>\$ 7,057,327</u>

TOWN OF WORTHINGTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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:		
Revenue bonds:		
1989 Issue	\$ 425,450	\$ 13,000
1998 A Issue	2,420,000	45,000
1998 B Issue	<u>516,000</u>	<u>9,000</u>
Total business-type activities debt	<u>\$ 3,361,450</u>	<u>\$ 67,000</u>

TOWN OF WORTHINGTON
EXIT CONFERENCE

The contents of this report were discussed on September 16, 2010, with Gloria Klass, Clerk-Treasurer, and William H. Harp, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.