

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

EXAMINATION REPORT  
OF  
CITY OF OAKLAND CITY  
GIBSON COUNTY, INDIANA  
January 1, 2009 to December 31, 2009



**FILED**  
01/06/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedule of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Supplementary Information: Schedule of Capital Assets.....	7
Schedule of Long-Term Debt .....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda G. Willis	01-01-08 to 12-31-11
Mayor	Alfred J. Cooper	01-01-08 to 12-31-11
President of the Town Council	Charlotte Richeson Jerry Richardson	01-01-09 to 12-31-09 01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF OAKLAND CITY, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the City of Oakland City (City), for the period of January 1, 2009 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 City for the year ended December 31, 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

November 23, 2010

CITY OF OAKLAND CITY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ (3,222)	\$ 506,788	\$ 456,892	\$ 46,674
Motor Vehicle Highway	95,961	89,633	73,200	112,394
Local Road and Street	22,062	14,690	-	36,752
Park and Recreation	20,999	17,364	17,623	20,740
Law Enforcement Continuing Education	2,858	2,372	824	4,406
Riverboat	28,762	32,430	-	61,192
Rainy Day	4,716	-	-	4,716
Donation	(2,424)	11,349	5,737	3,188
Wirth Park	1,382	6,150	7,489	43
Cinergy	32,860	4,425	37,033	252
Vectren	17,789	-	17,789	-
Micro Enterprise	38	-	-	38
FEMA Grants	4	-	-	4
Economic Development Commission	5,799	-	-	5,799
Debt Service	(5,111)	29,338	17,849	6,378
Cumulative Capital Improvement	19,958	7,935	-	27,893
Cumulative Capital Development	27,591	10,227	6,108	31,710
Economic Development Income Tax	81,958	117,674	102,642	96,990
Donations #6	-	31,061	4,525	26,536
<b>Proprietary Funds:</b>				
Water Utility - Operating	46,332	803,691	668,990	181,033
Water Utility - Bond and Interest	41,295	73,742	79,854	35,183
Water Utility - Depreciation	680	-	-	680
Water Utility - Customer Deposit	47,940	11,120	9,660	49,400
Water Utility - Debt Service Reserve	80,500	-	-	80,500
Wastewater Utility - Operating	588	477,482	439,391	38,679
Wastewater Utility - Bond and Interest	3,437	8	3,445	-
Wastewater Utility - Depreciation	71,006	-	-	71,006
Wastewater Utility - Customer Deposit	36,595	16,220	13,205	39,610
Wastewater Utility - Debt Service Reserve	81,500	-	-	81,500
<b>Fiduciary Funds:</b>				
Police Officers' Pension	7,685	-	-	7,685
Payroll	12,808	610,185	613,480	9,513
<b>Totals</b>	<u>\$ 782,346</u>	<u>\$ 2,873,884</u>	<u>\$ 2,575,736</u>	<u>\$ 1,080,494</u>

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

CITY OF OAKLAND CITY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, culture and recreation, general administrative services, water and wastewater.

Note 2. Fund Accounting

The City 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.

CITY OF OAKLAND CITY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

CITY OF OAKLAND CITY  
 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	\$ 10,000
Buildings	641,000
Machinery and equipment	<u>686,780</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>1,337,780</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 291,240
Improvements other than buildings	1,880,686
Machinery and equipment	<u>229,138</u>
 Total Water Utility capital assets	 <u>2,401,064</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	1,600,352
Improvements other than buildings	933,251
Machinery and equipment	<u>2,302,945</u>
 Total Wastewater Utility capital assets	 <u>4,836,548</u>
 Total business-type activities capital assets	 <u>\$ 7,237,612</u>

CITY OF OAKLAND CITY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Storm sewer improvements	\$ 146,000	\$ 45,187
Bonds payable:		
General obligation bonds	<u>106,819</u>	<u>17,243</u>
Total governmental activities debt	<u>\$ 252,819</u>	<u>\$ 62,430</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
2002 Water Utility	<u>\$ 819,000</u>	<u>\$ 80,028</u>
Total business-type activities debt	<u>\$ 819,000</u>	<u>\$ 80,028</u>

CITY OF OAKLAND CITY  
EXIT CONFERENCE

The contents of this report were discussed on November 23, 2010, with Brenda G. Willis, Clerk-Treasurer; Alfred J. Cooper, Mayor; and Jerry Richardson, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.