

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF KIRKLIN
CLINTON COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/21/06

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Mary King

01-01-00 to 12-31-07

President of the
Town Council

Walter Minnick

01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF KIRKLIN, CLINTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Kirklín (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 6, 2006

TOWN OF KIRKLIN
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, FIDUCIARY AND ENTERPRISE FUND TYPES
As Of And For The Year Ended December 31, 2003

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 127,815	\$ 76,169	\$ 138,683	\$ 65,301
Motor Vehicle Highway	53,865	35,658	28,051	61,472
Local Road and Street	8,491	3,576	-	12,067
Park and Recreation	1,743	3,579	1,083	4,239
Law Enforcement Continuing Education	142	160	177	125
Youth	567	891	914	544
Garbage Pickup	6,166	19,930	19,647	6,449
Cumulative Capital Improvement	23,950	2,890	-	26,840
Cumulative Capital Development	28,523	2,698	29	31,192
County Economic Development Income Tax	26,011	11,033	-	37,044
Fiduciary Funds:				
Payroll	3,261	145,500	145,486	3,275
Levy Excess	-	869	-	869
Enterprise Funds:				
Water Operating	43,307	90,105	98,923	34,489
Water Depreciation	8,688	-	-	8,688
Water Customer Deposit	15,081	2,085	2,133	15,033
Wastewater Operating	123,524	115,725	124,785	114,464
Construction	7	5	-	12
Totals	<u>\$ 471,141</u>	<u>\$ 510,873</u>	<u>\$ 559,911</u>	<u>\$ 422,103</u>

The accompanying notes are an integral part of the schedules.

TOWN OF KIRKLIN
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, FIDUCIARY AND ENTERPRISE FUND TYPES
As Of And For The Year Ended December 31, 2004

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 65,301	\$ 185,647	\$ 149,814	\$ 101,134
Motor Vehicle Highway	61,472	57,823	59,526	59,769
Local Road and Street	12,067	3,711	12,000	3,778
Park and Recreation	4,239	11,916	10,699	5,456
Law Enforcement Continuing Education	125	599	70	654
Rainy Day	-	8,366	-	8,366
Youth	544	923	632	835
Garbage Pickup	6,449	19,912	19,636	6,725
Cumulative Capital Improvement	26,840	2,950	4,150	25,640
Cumulative Capital Development	31,192	10,892	-	42,084
County Economic Development Income Tax	37,044	9,269	28,400	17,913
Fiduciary Funds:				
Payroll	3,275	156,191	156,148	3,318
Levy Excess	869	-	869	-
Enterprise Funds:				
Water Operating	34,489	92,847	88,518	38,818
Water Depreciation	8,688	-	-	8,688
Water Customer Deposit	15,033	2,340	2,025	15,348
Wastewater Operating	114,464	119,655	103,815	130,304
Construction	12	-	5	7
Totals	<u>\$ 422,103</u>	<u>\$ 683,041</u>	<u>\$ 636,307</u>	<u>\$ 468,837</u>

The accompanying notes are an integral part of the schedules.

TOWN OF KIRKLIN
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, FIDUCIARY AND ENTERPRISE FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 101,134	\$ 158,250	\$ 161,590	\$ 97,794
Motor Vehicle Highway	59,769	28,884	27,956	60,697
Local Road and Street	3,778	3,699	-	7,477
Park and Recreation	5,456	1,412	344	6,524
Law Enforcement Continuing Education	654	251	152	753
Rainy Day	8,366	-	-	8,366
Youth	835	306	-	1,141
Garbage Pickup	6,725	24,631	22,621	8,735
Cumulative Capital Improvement	25,640	2,506	9,011	19,135
Cumulative Capital Development	42,084	6,627	26,004	22,707
County Economic Development Income Tax	17,913	9,240	-	27,153
Fiduciary Funds:				
Payroll	3,318	155,803	155,536	3,585
Enterprise Funds:				
Water Operating	38,818	101,343	117,875	22,286
Water Depreciation	8,688	-	8,688	-
Water Customer Deposit	15,348	2,940	2,385	15,903
Wastewater Operating	130,304	144,341	211,204	63,441
Construction	7	398,350	398,350	7
Totals	<u>\$ 468,837</u>	<u>\$ 1,038,583</u>	<u>\$ 1,141,716</u>	<u>\$ 365,704</u>

The accompanying notes are an integral part of the schedules.

TOWN OF KIRKLIN
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, and general administrative services, water and waste-water utility.

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 the construction of a water tower. The outstanding principal at December 31, 2005, was \$0. The total amount of the loan authorized by the state was \$120,000. Through June 1, 2006, \$23,920 in draws were made on this loan. Repayment terms for this loan have not yet been established by the state.

TOWN OF KIRKLIN
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2006, with Mary King, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.