

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

EXAMINATION REPORT

OF

TOWN OF ELNORA

DAVISS COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sara Eaton	01-01-04 to 12-31-07
President of the Town Council	Jerry Beck	01-01-04 to 12-31-06
Superintendent of Utilities	Wayne Ellis	01-01-04 to 12-31-06



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ELNORA, DAVIESS COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Elnora, for the period of January 1, 2004 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, 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

August 30, 2006

TOWN OF ELNORA
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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 57,526	\$ 137,712	\$ 98,412	\$ 96,826
Motor Vehicle Highway	23,933	27,201	12,191	38,943
Local Road and Street	4,898	4,286	319	8,865
Park and Recreation	11,978	16,932	12,907	16,003
Law Enforcement Continuing Education	686	173	458	401
Cumulative Capital Improvement	-	2,691	-	2,691
Fire Truck Fund	-	600	600	-
Meth Lab Education Fund	834	-	20	814
Tennis Court Fund	500	263	-	763
Community Clean-up Fund	5,589	210	5,505	294
Riverboat	-	4,546	4,546	-
Reserve Police Officers	348	300	200	448
Cumulative Capital Development	16,084	7,023	6,776	16,331
Proprietary Funds:				
Water Utility - Operating	8,689	86,811	90,705	4,795
Water Utility - Bond and Interest	4,950	13,200	13,400	4,750
Water Utility - Depreciation	13,704	-	-	13,704
Water Utility - Customer Deposit	8,118	2,274	2,797	7,595
Water Utility - Construction	9,480	9,000	10,407	8,073
Wastewater Utility - Operating	28,449	120,894	116,859	32,484
Wastewater Utility - Bond and Interest	33,700	25,200	28,100	30,800
Wastewater Utility - Depreciation	27,360	1,000	-	28,360
Fiduciary Fund:				
Payroll	-	118,446	118,446	-
Totals	<u>\$ 256,826</u>	<u>\$ 578,762</u>	<u>\$ 522,648</u>	<u>\$ 312,940</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 96,826	\$ 106,112	\$ 107,492	\$ 95,446
Motor Vehicle Highway	38,943	26,193	37,180	27,956
Local Road and Street	8,865	4,355	1,782	11,438
Park and Recreation	16,003	790	15,737	1,056
Law Enforcement Continuing Education	401	1,022	808	615
Cumulative Capital Improvement	2,691	2,229	3,363	1,557
Meth Lab Education Fund	814	-	-	814
Tennis Court Fund	763	-	763	-
Community Clean-up Fund	294	890	200	984
Riverboat	-	4,546	-	4,546
Reserve Police Officers	448	150	150	448
Cumulative Capital Development	16,331	4,277	5,201	15,407
CEDIT	-	6,738	-	6,738
Levy Excess	-	278	278	-
Proprietary Funds:				
Water Utility - Operating	4,795	87,606	85,566	6,835
Water Utility - Bond and Interest	4,750	13,200	13,000	4,950
Water Utility - Depreciation	13,704	-	-	13,704
Water Utility - Customer Deposit	7,595	2,792	2,783	7,604
Water Utility - Construction	8,073	3,351	11,424	-
Wastewater Utility - Operating	32,484	119,318	114,078	37,724
Wastewater Utility - Bond and Interest	30,800	24,000	28,350	26,450
Wastewater Utility - Depreciation	28,360	-	-	28,360
Fiduciary Fund:				
Payroll	-	128,300	128,300	-
Totals	<u>\$ 312,940</u>	<u>\$ 536,147</u>	<u>\$ 556,455</u>	<u>\$ 292,632</u>

The accompanying notes are an integral part of the schedules.

TOWN OF ELNORA
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, health and social services, culture and recreation, 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.

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 revenue bonds for water and wastewater purposes. The outstanding principal at December 31, 2005, was \$92,000 and \$231,000, respectively.

TOWN OF ELNORA
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2006, with Sara Eaton, Clerk-Treasurer; and Heather L. Davis, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.