

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

EXAMINATION REPORT
OF
TOWN OF WALTON
CASS COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
10/11/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kim L. Craig	01-01-04 to 12-31-07
President of the Town Council	Delbert Meader	01-01-04 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 WALTON, CASS COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Walton (Town), 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

September 12, 2006

TOWN OF WALTON
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	\$ 187,565	\$ 152,771	\$ 181,039	\$ 159,297
Motor Vehicle Highway	188,223	33,700	25,004	196,919
Local Road and Street	81,121	5,444	10,476	76,089
Park and Recreation	8,084	3,999	5,844	6,239
Law Enforcement Continuing Education	855	1,062	-	1,917
Riverboat	6,760	6,741	1,500	12,001
Rainy Day	-	4,212	-	4,212
Economic Development Income Tax	111,288	10,426	-	121,714
Cumulative Capital Improvement	73,795	4,328	69	78,054
Ordinance Violation	25	-	-	25
Department of Commerce Grant	-	401,642	401,142	500
Proprietary Funds:				
Water Utility - Operating	78,347	111,862	127,992	62,217
Water Utility - Depreciation	177,124	22,667	1,064	198,727
Water Utility - Customer Deposit	9,765	2,949	1,815	10,899
Wastewater Utility - Operating	288,414	175,812	221,135	243,091
Wastewater Utility - Bond and Interest	24,192	23,320	22,810	24,702
Wastewater Utility - Depreciation	71,520	31,730	70,291	32,959
Wastewater Utility - Customer Deposit	8,846	2,875	1,802	9,919
Fiduciary Fund:				
Payroll	-	16,392	16,392	-
Totals	<u>\$ 1,315,924</u>	<u>\$ 1,011,932</u>	<u>\$ 1,088,375</u>	<u>\$ 1,239,481</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 159,297	\$ 179,942	\$ 198,728	\$ 140,511
Motor Vehicle Highway	196,919	34,232	21,822	209,329
Local Road and Street	76,089	6,006	242	81,853
Park and Recreation	6,239	5,136	6,346	5,029
Law Enforcement Continuing Education	1,917	200	-	2,117
Riverboat	12,001	6,741	-	18,742
Rainy Day	4,212	-	-	4,212
Economic Development Income Tax	121,714	10,638	34,758	97,594
Cumulative Capital Improvement	78,054	4,176	14,330	67,900
Ordinance Violation	25	-	-	25
Department of Commerce Grant	500	52,334	52,834	-
Proprietary Funds:				
Water Utility - Operating	62,217	139,373	144,497	57,093
Water Utility - Depreciation	198,727	26,034	51,845	172,916
Water Utility - Customer Deposit	10,899	3,055	2,455	11,499
Wastewater Utility - Operating	243,091	217,586	216,785	243,892
Wastewater Utility - Bond and Interest	24,702	22,554	22,007	25,249
Wastewater Utility - Depreciation	32,959	36,332	24,030	45,261
Wastewater Utility - Customer Deposit	9,919	3,026	2,003	10,942
Fiduciary Fund:				
Payroll	-	179,079	179,079	-
Totals	<u>\$ 1,239,481</u>	<u>\$ 926,444</u>	<u>\$ 971,761</u>	<u>\$ 1,194,164</u>

The accompanying notes are an integral part of the schedules.

TOWN OF WALTON
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, highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater and urban development.

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 debt such as bonds for the acquisition and improvement of the wastewater utility. The outstanding principal at December 31, 2005, was \$105,000.

TOWN OF WALTON
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2006, with Kim L. Craig, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.