

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

EXAMINATION REPORT  
OF  
TOWN OF GOODLAND  
NEWTON COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
05/29/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Tina M. Ward

01-01-04 to 12-31-10

President of the Town Council

James Butler

01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GOODLAND, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Goodland (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 21, 2007

TOWN OF GOODLAND  
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 410,836	\$ 212,354	\$ 206,323	\$ 416,867
Motor Vehicle Highway	84,059	114,476	78,717	119,818
Local Road and Street	3,085	4,986	5,500	2,571
Law Enforcement Continuing Education	259	105	-	364
Rainy Day	14,913	-	-	14,913
Trash Removal	14,582	42,760	36,677	20,665
HUD House	2,165	4,180	-	6,345
Good Neighbor Donation Fund	101,653	72,112	-	173,765
Park Pond Donation Fund	17,198	13,779	30,349	628
Community Center Exp Donation	2,144	2,400	4	4,540
Community Center Donation	125	-	-	125
Daycare	1,800	-	-	1,800
County Economic Development Loan	31,880	4,858	22,929	13,809
Lease Rental Payment	800	5,200	-	6,000
Cumulative Capital Improvement	1,243	3,388	5,500	(869)
Cumulative Capital Development	58,580	11,387	-	69,967
<b>Proprietary Funds:</b>				
Water Utility - Operating	199	195,975	162,485	33,689
Water Utility - Depreciation	11,060	20,483	-	31,543
Water Utility - Customer Deposit	24,424	4,500	1,962	26,962
Water Utility - Improvement	63,207	-	-	63,207
Wastewater Utility - Operating	-	196,794	166,073	30,721
Wastewater Utility - Bond and Interest	63,232	58,089	58,156	63,165
Wastewater Utility - Improvement	65,700	-	-	65,700
<b>Fiduciary Funds:</b>				
Retirement	795	-	-	795
Payroll	1,357	166,615	166,980	992
<b>Totals</b>	<b>\$ 975,296</b>	<b>\$ 1,134,441</b>	<b>\$ 941,655</b>	<b>\$ 1,168,082</b>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 416,867	\$ 259,140	\$ 210,645	\$ 465,362
Motor Vehicle Highway	119,818	126,764	104,643	141,939
Local Road and Street	2,571	4,857	5,775	1,653
Law Enforcement Continuing Education	364	10	-	374
Rainy Day	14,913	-	-	14,913
Trash Removal	20,665	42,239	39,511	23,393
HUD House	6,345	4,230	-	10,575
Good Neighbor Donation Fund	173,765	81,414	-	255,179
Park Pond Donation Fund	628	10,641	7,840	3,429
Community Center Exp Donation	4,540	3,446	6,146	1,840
Community Center Donation	125	-	-	125
Daycare	1,800	-	-	1,800
County Economic Development Loan	13,809	4,196	50,099	(32,094)
Lease Rental Payment	6,000	4,800	-	10,800
Cumulative Capital Improvement	(869)	3,915	3,006	40
Cumulative Capital Development	69,967	11,918	-	81,885
<b>Proprietary Funds:</b>				
Water Utility - Operating	33,689	206,975	151,362	89,302
Water Utility - Depreciation	31,543	133,352	131,795	33,100
Water Utility - Customer Deposit	26,962	5,400	3,090	29,272
Water Utility - Improvement	63,207	-	-	63,207
Wastewater Utility - Operating	30,721	193,957	166,493	58,185
Wastewater Utility - Bond and Interest	63,165	61,269	57,656	66,778
Wastewater Utility - Improvement	65,700	-	-	65,700
<b>Fiduciary Funds:</b>				
Retirement	795	-	-	795
Payroll	992	190,836	186,254	5,574
<b>Totals</b>	<b>\$ 1,168,082</b>	<b>\$ 1,349,359</b>	<b>\$ 1,124,315</b>	<b>\$ 1,393,126</b>

The accompanying notes are an integral part of the schedules.

TOWN OF GOODLAND  
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, 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.

TOWN OF GOODLAND  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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. Economic Development Loans

The Town loans Economic Development Funds to individuals of the Town for activities that seek to address economic causes of poverty within the Town, revitalizing the economic and social base of low income communities through activities that include small business and micro-enterprise support.

In 2006, a small company that the Town had loaned Economic Development funds to filed bankruptcy and defaulted on their loan. As of December 31, 2006, the bankruptcy proceedings are complete and no additional funds will be collected by the Town. The total amount of the loan written-off by the Town was \$21,963.

Note 7. Subsequent Event

The Town was awarded a Community Development Block Grant for \$441,273 to renovate and restore the Goodland-Grant Township Public Library for which the Library is a subrecipient.

TOWN OF GOODLAND  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
2003 Wastewater Improvement Refunding	\$ <u>740,000</u>	\$ <u>30,000</u>

TOWN OF GOODLAND  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BONDS

The following official bond was not filed in the Office of the County Recorder:

Tina M. Ward, Clerk-Treasurer

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

FUND SOURCES AND USES

The Clerk-Treasurer receipted all the general property and license excise taxes distributed by the County Auditor in December 2003 to the General Fund in 2004. As a result, the General Fund owes the Motor Vehicle Fund \$68,516 and the Cumulative Capital Development Fund \$12,933.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OVERDRAWN FUND BALANCE

The Economic Development Fund was overdrawn by \$32,094 as of December 31, 2006.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The Town and its Utilities do not maintain sufficient detailed records of capital assets. A similar comment was issued in prior Report B26963.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF GOODLAND  
EXIT CONFERENCE

The contents of this report were discussed on March 21, 2007, with Tina M. Ward, Clerk-Treasurer; and Gary Rheude, Town Council member.