

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

EXAMINATION REPORT

OF

CITY OF ANGOLA

STEUBEN COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**  
10/25/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debra A. Twitchell	01-01-04 to 12-31-07
Mayor	Richard M. Hickman	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Richard M. Hickman	01-01-04 to 12-31-07
President of the Common Council	Richard M. Hickman	01-01-04 to 12-31-07



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF ANGOLA, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of the City of Angola (City), for the period of January 1, 2006 to December 31, 2006. The City'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, 2006, 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

September 4, 2007

CITY OF ANGOLA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 2,027,055	\$ 4,306,002	\$ 4,572,238	\$ 1,760,819
Motor Vehicle Highway	354,056	1,030,038	1,031,387	352,707
Local Road and Street	109,805	39,228	54,331	94,702
Parks and Recreation	127,166	546,526	501,011	172,681
Park Nonreverting Capital	2,328	16,176	7,490	11,014
Law Enforcement Continuing Education	29,280	6,100	4,980	30,400
Police Operations	2,000	-	-	2,000
Hazmat Response	5,562	43,000	21,215	27,347
Riverboat	54,757	55,595	38,704	71,648
Rainy Day	39,429	-	1,000	38,429
Donation	81,940	10,632	43,501	49,071
Cumulative Capital Improvement	68,621	26,236	62,776	32,081
CEDIT	544,814	407,457	423,548	528,723
Local Major Moves Construction	-	3,911,575	-	3,911,575
Federal Grants	-	31,500	31,500	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	272,331	1,613,175	1,583,499	302,007
Water Utility - Bond and Interest	318,760	256,823	240,015	335,568
Water Utility - Customer Deposit	32,615	20,730	15,640	37,705
Water Utility - Improvement	610,993	362,367	189,103	784,257
Wastewater Utility - Operation	185,710	2,054,409	2,017,184	222,935
Wastewater Utility - Bond and Interest	720,110	736,130	729,821	726,419
Wastewater Utility - Construction	465,752	-	457,380	8,372
Wastewater Utility - Improvement	371,613	220,258	170,142	421,729
Self Insurance	5,503	708,788	706,641	7,650
<b>Fiduciary Funds:</b>				
Police Officers' Pension	152,341	202,689	226,540	128,490
Payroll	47,754	1,178,025	1,181,147	44,632
Escrow	55,186	56,011	88,103	23,094
Levy Excess	-	232,799	232,799	-
<b>Totals</b>	<b>\$ 6,685,481</b>	<b>\$ 18,072,269</b>	<b>\$ 14,631,695</b>	<b>\$ 10,126,055</b>

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

CITY OF ANGOLA  
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, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban development and housing.

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 City 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.

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 City 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 ANGOLA  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City 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.

Note 7. Subsequent Events

On January 2, 2007, Ordinance 1250-2007 was passed changing the Water Utility rates for usage billed after March 1, 2007.

On February 28, 2007, the City issued Waterworks Revenue Bonds of 2007, in the amount of \$2,635,000, for the West Mill Street Water Treatment Plant Expansion.

On February 28, 2007, the City received notice of release of funds and authorization to incur costs for a Community Development Block Grant in the amount of \$525,000. This will be used for the West Mill Street Water Treatment Plant Expansion.

On March 1, 2007, the City signed a \$2,335,900 agreement with R.E. Crosby & Sons, Inc., for the construction of the West Mill Street Water Treatment Plant Expansion.

CITY OF ANGOLA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2006

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,724,941
Infrastructure	6,326,403
Buildings	3,709,065
Improvements other than buildings	438,458
Machinery and equipment	4,361,990
Construction in progress	<u>811,957</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,372,814</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 56,533
Construction in progress	117,241
Capital assets, being depreciated:	
Buildings	2,131,108
Improvements other than buildings	19,310
Infrastructure	5,402,763
Machinery and equipment	<u>1,281,288</u>
Total Water Utility capital assets	<u>9,008,243</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	26,625
Construction in progress	9,138
Capital assets, being depreciated:	
Buildings	6,992,590
Improvements other than buildings	40,030
Infrastructure	16,931,271
Machinery and equipment	<u>2,164,179</u>
Total Wastewater Utility capital assets	<u>26,163,833</u>
Total business-type activities capital assets	<u>\$ 35,172,076</u>

CITY OF ANGOLA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Liability	Ending Balance	Due Within One Year
Business-type Activities:		
Water Utility		
1998 Waterworks revenue bonds	1,475,000	85,000
2002 Waterworks revenue bonds	<u>915,000</u>	<u>40,000</u>
Total Water Utility	<u>2,390,000</u>	<u>125,000</u>
Wastewater Utility		
1997 Sewage works revenue bonds	1,545,000	-
2004 Sewage works revenue bonds	2,985,000	-
State revolving fund loan	<u>3,645,000</u>	<u>-</u>
Total Wastewater Utility	<u>8,175,000</u>	<u>-</u>
Total business-type activities long-term debt:	<u>\$ 10,565,000</u>	<u>\$ 125,000</u>

CITY OF ANGOLA  
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2007, with Debra A. Twitchell, Clerk-Treasurer; and Richard M. Hickman, Mayor. Our examination disclosed no material items that warrant comment at this time.