

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

EXAMINATION REPORT
OF
TOWN OF OSSIAN
WELLS COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
11/14/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary K. Shafer	01-01-04 to 12-31-07
President of the Town Council	Thomas Woodward	01-01-05 to 03-14-05
	Vacant	03-15-05 to 04-10-05
	Brian Lang	04-11-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF OSSIAN, WELLS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Ossian (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 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

October 4, 2007

TOWN OF OSSIAN
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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	\$ 221,755	\$ 521,068	\$ 518,363	\$ 224,460
Motor Vehicle Highway	213,384	170,784	201,377	182,791
Local Road and Street	802	13,109	13,000	911
Park and Recreation	55,226	48,411	75,204	28,433
Law Enforcement Continuing Education	8,916	2,213	2,491	8,638
Riverboat	37,167	18,558	15,237	40,488
Rainy Day	1,294	-	-	1,294
New Park Pavilion	16,545	165	-	16,710
Ice Storm	-	1,848	1,848	-
Christmas Decorations	300	300	-	600
Downtown Revitalization	47	8,864	3,041	5,870
CADA Grant	29	-	-	29
Police Reserve	893	-	-	893
Police Court Costs	70,715	1,783	29,723	42,775
Solid Waste	18,353	115,469	113,278	20,544
Archbold Wilson Park	-	1,662	-	1,662
Levy Excess	-	11,342	-	11,342
Cumulative Capital Improvement	1	9,097	9,098	-
Cumulative Capital Development	116,695	53,494	22,819	147,370
Economic Development Income Tax	202,880	57,074	47,752	212,202
Park Capital Equipment	11,652	908	7,652	4,908
Cumulative Building and Fire Fighting Equipment	93,445	23,028	602	115,871
Proprietary Funds:				
Water Utility - Operating	216,587	1,160,125	1,085,212	291,500
Wastewater Utility - Operating	94,398	860,068	871,104	83,362
Wastewater Utility - Bond and Interest	268,199	287,743	200,870	355,072
Wastewater Utility - Improvement	-	3,903,491	2,089,049	1,814,442
Stormwater Utility - Operating	-	8,000	7,795	205
Fiduciary Fund:				
Payroll	20	501,593	501,113	500
Totals	<u>\$ 1,649,303</u>	<u>\$ 7,780,197</u>	<u>\$ 5,816,628</u>	<u>\$ 3,612,872</u>

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

TOWN OF OSSIAN
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, 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
Governmental Funds:				
General	\$ 224,460	\$ 515,537	\$ 542,356	\$ 197,641
Motor Vehicle Highway	182,791	165,544	123,325	225,010
Local Road and Street	911	13,355	14,266	-
Park and Recreation	28,433	45,861	56,597	17,697
Law Enforcement Continuing Education	8,638	2,063	3,923	6,778
Riverboat	40,488	19,200	-	59,688
Rainy Day	1,294	-	-	1,294
New Park Pavilion	16,710	847	15,000	2,557
Christmas Decorations	600	300	-	900
Downtown Revitalization	5,870	21,371	9,445	17,796
CADA Grant	29	3,736	1,946	1,819
Police Reserve	893	-	-	893
Police Court Costs	42,775	14,460	-	57,235
Solid Waste	20,544	123,511	124,806	19,249
Archbold Wilson Park	1,662	20	-	1,682
Levy Excess	11,342	2,539	11,343	2,538
Cumulative Capital Improvement	-	10,514	10,235	279
Cumulative Capital Development	147,370	105,687	118,690	134,367
Economic Development Income Tax	212,202	60,581	7,514	265,269
Park Capital Equipment	4,908	361	60	5,209
Cumulative Building and Fire Fighting Equipment	115,871	25,583	100	141,354
Proprietary Funds:				
Water Utility - Operating	291,500	1,558,636	1,434,207	415,929
Wastewater Utility - Operating	83,362	1,312,480	1,176,298	219,544
Wastewater Utility - Bond and Interest	355,072	468,289	414,040	409,321
Wastewater Utility - Improvement	1,814,442	214,310	1,675,593	353,159
Stormwater Utility - Operating	205	137,752	54,639	83,318
Fiduciary Fund:				
Payroll	500	550,671	550,801	370
Totals	<u>\$ 3,612,872</u>	<u>\$ 5,373,208</u>	<u>\$ 6,345,184</u>	<u>\$ 2,640,896</u>

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

TOWN OF OSSIAN
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 (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater and storm water.

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.

TOWN OF OSSIAN
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town 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.

TOWN OF OSSIAN
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

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 completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 99,000
Infrastructure	104,262
Buildings	286,738
Improvements other than buildings	147,591
Machinery and equipment	<u>738,597</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,376,188</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 85,153
Buildings	28,487
Improvements other than buildings	1,260,119
Machinery and equipment	<u>151,633</u>
 Total Water Utility capital assets	 <u>1,525,392</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	17,366
Construction in progress	3,293,150
Buildings	6,500
Improvements other than buildings	2,401,607
Machinery and equipment	<u>172,671</u>
 Total Wastewater Utility capital assets	 <u>5,891,294</u>
Stormwater Utility:	
Capital assets, not being depreciated:	
Construction in progress	43,318
Improvements other than buildings	<u>2,084,597</u>
 Total Stormwater Utility capital assets	 <u>2,127,915</u>
 Total business-type activities capital assets	 <u>\$ 9,544,601</u>

TOWN OF OSSIAN
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility		
Notes and loans payable:		
State revolving loan	\$ 1,754,000	\$ 3,000
Revenue bonds:		
Sewage works refunding bonds of 1999	317,000	112,000
Sewage works revenue bonds of 2005	<u>3,605,000</u>	<u>50,000</u>
Total Wastewater Utility	<u>\$ 5,676,000</u>	<u>\$ 165,000</u>

TOWN OF OSSIAN
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2007 with Mary K. Shafer, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.