

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

EXAMINATION REPORT  
OF  
TOWN OF WAYNETOWN  
MONTGOMERY COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
12/28/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Long-Term Debt .....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Beverly J. Stout	01-01-04 to 12-31-07
President of the Town Council	Robert Cox	01-01-05 to 12-31-07
Superintendent of Utilities	Greg Gayler	01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WAYNETOWN, MONTGOMERY COUNTY, INDIANA

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

November 19, 2007

TOWN OF WAYNETOWN  
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	\$ 178,746	\$ 111,212	\$ 90,651	\$ 199,307
Motor Vehicle Highway	4,807	31,921	30,485	6,243
Local Road and Street	13,316	4,457	1,000	16,773
Park and Recreation	710	14,169	14,711	168
Law Enforcement Continuing Education	350	204	-	554
Riverboat	6,430	21,732	22,200	5,962
Cumulative Capital Improvement	18,366	2,810	-	21,176
Cumulative Capital Development	25,391	5,573	-	30,964
Cumulative Capital Building	18,644	5,216	-	23,860
<b>Proprietary Funds:</b>				
Water Utility - Operating	40,402	76,177	75,117	41,462
Water Utility - Depreciation	1,945	1,080	-	3,025
Water Utility - Customer Deposit	11,789	1,560	1,398	11,951
Wastewater Utility - Operating	155,317	198,287	195,725	157,879
Wastewater Utility - Bond and Interest	1,263	21,552	22,261	554
Wastewater Utility - Depreciation	3,052	2,148	-	5,200
Wastewater Utility - Utility Reserve	117,320	66,960	49,533	134,747
Electric Utility - Operating	187,325	480,164	477,210	190,279
Electric Utility - Depreciation	101,563	133,408	97,761	137,210
Electric Utility - Deposit	22,290	3,255	2,990	22,555
Electric Utility - Cash Reserve	12,779	190	-	12,969
Stormwater Utility - Operating	-	5,246	2,718	2,528
<b>Fiduciary Fund:</b>				
Payroll	3,629	199,344	198,714	4,259
<b>Totals</b>	<u>\$ 925,434</u>	<u>\$ 1,386,665</u>	<u>\$ 1,282,474</u>	<u>\$ 1,029,625</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 199,307	\$ 123,863	\$ 99,569	\$ 223,601
Excess Levy	-	3,626	3,626	-
Motor Vehicle Highway	6,243	37,594	33,595	10,242
Local Road and Street	16,773	4,359	16,369	4,763
Park and Recreation	168	14,731	14,019	880
Law Enforcement Continuing Education	554	117	500	171
Riverboat	5,962	5,720	-	11,682
Cumulative Capital Improvement	21,176	1,539	-	22,715
Cumulative Capital Development	30,964	5,156	235	35,885
Cumulative Capital Building	23,860	219	219	23,860
<b>Proprietary Funds:</b>				
Water Utility - Operating	41,462	74,696	74,519	41,639
Water Utility - Depreciation	3,025	1,080	2,795	1,310
Water Utility - Customer Deposit	11,951	2,400	1,402	12,949
Wastewater Utility - Operating	157,879	198,855	189,905	166,829
Wastewater Utility - Bond and Interest	554	21,600	21,600	554
Wastewater Utility - Depreciation	5,200	2,148	977	6,371
Wastewater Utility - Utility Reserve	134,747	50,295	48,750	136,292
Electric Utility - Operating	190,279	509,885	502,928	197,236
Electric Utility - Depreciation	137,210	23,326	15,011	145,525
Electric Utility - Deposit	22,555	5,078	2,996	24,637
Electric Utility - Cash Reserve	12,969	331	-	13,300
Stormwater Utility - Operating	2,528	10,573	10,677	2,424
Trash and Garbage Pickup	-	40,329	32,726	7,603
<b>Fiduciary Fund:</b>				
Payroll	4,259	208,152	208,011	4,400
<b>Totals</b>	<u>\$ 1,029,625</u>	<u>\$ 1,345,672</u>	<u>\$ 1,280,429</u>	<u>\$ 1,094,868</u>

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

TOWN OF WAYNETOWN  
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, highway and streets, culture and recreation, public improvements, general administrative services, trash pickup, storm water, electric, water and wastewater.

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. Subsequent Event

On June 8, 2007, the Town was notified that it had been awarded a Community Development Block Grant (CDBG) in the amount of \$525,000. The grant requires a match by the Town of \$60,000. The grant funds will be used for construction of a new 125,000 gallon water storage tank and installation of new water meters. The Town has contracted with Ladd Engineering, Inc., Lebanon, IN to oversee construction of the new water tower, storage tank and meter reading system. Construction is expected to be completed no later than May 2009.

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Electric Utility		
Notes and loans payable:		
Truck loan	\$ 68,305	\$ 20,875
Wastewater Utility		
Notes and loans payable:		
State Revolving Loan Fund	723,000	-
Revenue bonds:		
Construction of wastewater treatment facility	75,000	-
Total Wastewater Utility	798,000	-
Total business-type activities debt:	\$ 866,305	\$ 20,875

TOWN OF WAYNETOWN  
EXIT CONFERENCE

The contents of this report were discussed on November 19, 2007, with Beverly J. Stout, Clerk-Treasurer; and Evelyn Swank, Town Council member. Our examination disclosed no material items that warrant comment at this time.