

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF WOODBURN

ALLEN COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
12/09/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Holly Sarrazine	01-01-12 to 12-31-15
Mayor	Richard A. Hoeppe	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Richard A. Hoeppe	01-01-12 to 12-31-13
President of the Common Council	Richard A. Hoeppe	01-01-12 to 12-31-13



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

TO: THE OFFICIALS OF THE CITY OF WOODBURN, ALLEN COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Woodburn (City), for the year ended December 31, 2012. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

November 26, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF WOODBURN  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 188,934	\$ 260,341	\$ 209,681	\$ 239,594
Motor Vehicle Highway	84,254	88,758	48,436	124,576
Local Road and Street	28,176	16,757	19,705	25,228
Economic Development (CEDIT)	140,831	146,905	82,297	205,439
Law Enforcement Continuing Education	3,749	1,821	580	4,990
Riverboat	42,035	9,004	18,000	33,039
Rainy Day	102,090	-	3,698	98,392
Cumulative Capital Development	70,109	8,807	54,081	24,835
Cumulative Capital Improvement	15,838	4,526	3,666	16,698
Donation	-	1,000	-	1,000
Police Department	1,176	-	-	1,176
Industrial Loan	9,625	9,625	-	19,250
Payroll	2,196	36,729	38,925	-
Trash and Garbage Pickup	18,551	67,268	66,036	19,783
Wastewater Utility SRF Debt Reserve	85,054	32,923	-	117,977
Wastewater Utility SRF Bond and Interest	96,237	172,053	159,960	108,330
Wastewater Utility Operating	196,559	339,559	436,989	99,129
Wastewater Utility Bond and Interest	(28,610)	94,643	43,897	22,136
Wastewater Utility Depreciation	39,471	10,500	3,954	46,017
Wastewater Utility Construction	(704)	704	-	-
Wastewater H/W Debt Retirement Fund	8,902	168	-	9,070
Wastewater Bond Debt Reserve	99,355	205,664	136,620	168,399
Water Utility Operating	146,126	349,708	427,925	67,909
Water Utility Bond and Interest	57,629	121,763	145,655	33,737
Water Utility Depreciation	39,999	7,000	20,169	26,830
Water Utility Meter Deposit	7,981	2,250	328	9,903
Water Utility Construction	(8,497)	8,497	-	-
Water Bond Debt Reserve	107,625	-	-	107,625
Totals	<u>\$ 1,554,691</u>	<u>\$ 1,996,973</u>	<u>\$ 1,920,602</u>	<u>\$ 1,631,062</u>

The notes to the financial statement are an integral part of this statement.



CITY OF WOODBURN  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

CITY OF WOODBURN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

CITY OF WOODBURN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

CITY OF WOODBURN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State statutes authorize 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.

**Note 5. Risk Management**

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

CITY OF WOODBURN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Subsequent Events**

On June 27, 2013, the Water Utility issued \$1,465,000 Waterworks Revenue and Refunding Bonds. The proceeds of \$820,000 are for the defeasance of Waterworks Revenue Bonds of 2003. The outstanding principal balance of these bonds at December 31, 2012, was \$885,000. The remaining balance of \$595,000, after bond expenses, will be used for the Main Street water main replacement project.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the City's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF WOODBURN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Economic Development (CEDIT)	Law Enforcement Continuing Education	Riverboat	Rainy Day	Cumulative Capital Development
Cash and investments - beginning	\$ 188,934	\$ 84,254	\$ 28,176	\$ 140,831	\$ 3,749	\$ 42,035	\$ 102,090	\$ 70,109
Receipts:								
Taxes	158,046	44,053	-	-	-	-	-	7,634
Licenses and permits	5,985	-	-	-	540	-	-	-
Intergovernmental	52,018	42,470	16,757	135,109	-	9,004	-	1,173
Charges for services	2,400	2,235	-	-	-	-	-	-
Fines and forfeits	1,048	-	-	-	1,281	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	40,844	-	-	11,796	-	-	-	-
Total receipts	<u>260,341</u>	<u>88,758</u>	<u>16,757</u>	<u>146,905</u>	<u>1,821</u>	<u>9,004</u>	<u>-</u>	<u>8,807</u>
Disbursements:								
Personal services	115,194	-	-	-	-	-	-	-
Supplies	16,792	3,760	-	-	-	-	-	-
Other services and charges	55,535	43,237	19,705	1,985	580	-	3,698	-
Debt service - principal and interest	-	-	-	28,077	-	-	-	-
Capital outlay	22,160	-	-	-	-	17,110	-	11,870
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	1,439	-	52,235	-	890	-	42,211
Total disbursements	<u>209,681</u>	<u>48,436</u>	<u>19,705</u>	<u>82,297</u>	<u>580</u>	<u>18,000</u>	<u>3,698</u>	<u>54,081</u>
Excess (deficiency) of receipts over disbursements	<u>50,660</u>	<u>40,322</u>	<u>(2,948)</u>	<u>64,608</u>	<u>1,241</u>	<u>(8,996)</u>	<u>(3,698)</u>	<u>(45,274)</u>
Cash and investments - ending	<u>\$ 239,594</u>	<u>\$ 124,576</u>	<u>\$ 25,228</u>	<u>\$ 205,439</u>	<u>\$ 4,990</u>	<u>\$ 33,039</u>	<u>\$ 98,392</u>	<u>\$ 24,835</u>



CITY OF WOODBURN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Cumulative Capital Improvement	Donation	Police Department	Industrial Loan	Payroll	Trash and Garbage Pickup	Wastewater Utility SRF Debt Reserve
Cash and investments - beginning	\$ 15,838	\$ -	\$ 1,176	\$ 9,625	\$ 2,196	\$ 18,551	\$ 85,054
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,526	-	-	-	-	-	-
Charges for services	-	-	-	9,625	-	66,417	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	851	-
Other receipts	-	1,000	-	-	36,729	-	32,923
Total receipts	4,526	1,000	-	9,625	36,729	67,268	32,923
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	321	-	-	-	-	66,036	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	3,345	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	38,925	-	-
Total disbursements	3,666	-	-	-	38,925	66,036	-
Excess (deficiency) of receipts over disbursements	860	1,000	-	9,625	(2,196)	1,232	32,923
Cash and investments - ending	\$ 16,698	\$ 1,000	\$ 1,176	\$ 19,250	\$ -	\$ 19,783	\$ 117,977

CITY OF WOODBURN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Wastewater Utility SRF Bond and Interest	Wastewater Utility Operating	Wastewater Utility Bond and Interest	Wastewater Utility Depreciation	Wastewater Utility Construction	Wastewater H/W Debt Retirement Fund	Wastewater Bond Debt Reserve
Cash and investments - beginning	\$ 96,237	\$ 196,559	\$ (28,610)	\$ 39,471	\$ (704)	\$ 8,902	\$ 99,355
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	334,207	4,500	-	-	-	-
Penalties	-	5,127	-	-	-	-	-
Other receipts	172,053	225	90,143	10,500	704	168	205,664
Total receipts	<u>172,053</u>	<u>339,559</u>	<u>94,643</u>	<u>10,500</u>	<u>704</u>	<u>168</u>	<u>205,664</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	259	-	-	-	-	-
Utility operating expenses	-	137,643	-	-	-	-	-
Other disbursements	159,960	299,087	43,897	3,954	-	-	136,620
Total disbursements	<u>159,960</u>	<u>436,989</u>	<u>43,897</u>	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>136,620</u>
Excess (deficiency) of receipts over disbursements	<u>12,093</u>	<u>(97,430)</u>	<u>50,746</u>	<u>6,546</u>	<u>704</u>	<u>168</u>	<u>69,044</u>
Cash and investments - ending	<u>\$ 108,330</u>	<u>\$ 99,129</u>	<u>\$ 22,136</u>	<u>\$ 46,017</u>	<u>\$ -</u>	<u>\$ 9,070</u>	<u>\$ 168,399</u>

CITY OF WOODBURN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Water Utility Operating	Water Utility Bond and Interest	Water Utility Depreciation	Water Utility Meter Deposit	Water Utility Construction	Water Bond Debt Reserve	Totals
Cash and investments - beginning	\$ 146,126	\$ 57,629	\$ 39,999	\$ 7,981	\$ (8,497)	\$ 107,625	\$ 1,554,691
Receipts:							
Taxes	-	-	-	-	-	-	209,733
Licenses and permits	-	-	-	-	-	-	6,525
Intergovernmental	-	-	-	-	-	-	261,057
Charges for services	-	-	-	-	-	-	80,677
Fines and forfeits	-	-	-	-	-	-	2,329
Utility fees	322,190	-	-	2,250	-	-	663,147
Penalties	3,395	-	-	-	-	-	9,373
Other receipts	24,123	121,763	7,000	-	8,497	-	764,132
Total receipts	<u>349,708</u>	<u>121,763</u>	<u>7,000</u>	<u>2,250</u>	<u>8,497</u>	<u>-</u>	<u>1,996,973</u>
Disbursements:							
Personal services	-	-	-	-	-	-	115,194
Supplies	-	-	-	-	-	-	20,552
Other services and charges	-	-	-	-	-	-	191,097
Debt service - principal and interest	-	-	-	-	-	-	28,077
Capital outlay	891	-	8,497	-	-	-	64,132
Utility operating expenses	257,632	-	-	328	-	-	395,603
Other disbursements	169,402	145,655	11,672	-	-	-	1,105,947
Total disbursements	<u>427,925</u>	<u>145,655</u>	<u>20,169</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>1,920,602</u>
Excess (deficiency) of receipts over disbursements	<u>(78,217)</u>	<u>(23,892)</u>	<u>(13,169)</u>	<u>1,922</u>	<u>8,497</u>	<u>-</u>	<u>76,371</u>
Cash and investments - ending	<u>\$ 67,909</u>	<u>\$ 33,737</u>	<u>\$ 26,830</u>	<u>\$ 9,903</u>	<u>\$ -</u>	<u>\$ 107,625</u>	<u>\$ 1,631,062</u>

CITY OF WOODBURN  
SCHEDULE OF DEBT  
December 31, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Woodburn Development Corporation Industrial Land Loan	\$ 62,795	\$ 27,045
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 1994	60,000	33,780
Loans and notes payable	2010 SRF Wastewater Improvement	2,320,000	161,944
Loans and notes payable	2010 Taxable Wastewater BANs (Forgivable)	480,000	-
Total Wastewater		<u>2,860,000</u>	<u>195,724</u>
Water:			
Revenue bonds	Waterworks Revenue Bonds of 2003	885,000	103,850
Totals		<u>\$ 3,807,795</u>	<u>\$ 326,619</u>

CITY OF WOODBURN  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 216,686
Infrastructure	42,249
Buildings	135,105
Improvements other than buildings	29,676
Machinery, equipment, and vehicles	350,531
Total governmental activities	774,247
Wastewater:	
Land	34,696
Improvements other than buildings	2,013,543
Machinery, equipment, and vehicles	114,049
Construction in progress	2,006,802
Total Wastewater	4,169,090
Water:	
Land	15,925
Buildings	189,107
Improvements other than buildings	2,745,855
Machinery, equipment, and vehicles	132,879
Total Water	3,083,766
Total capital assets	\$ 8,027,103

CITY OF WOODBURN  
EXAMINATION RESULT AND COMMENT

**OFFICIAL BOND**

The Clerk-Treasurer has a surety bond for \$30,000 filed with the Allen County Recorder's Office with coverage from January 1, 2012 to December 31, 2015. The coverage amount is insufficient per the Indiana Code. Total financial statement receipts were \$2,454,514 in 2011 and \$1,996,973 in 2012. Based on financial statement receipts for 2011, the Clerk-Treasurer's official bond should have been \$60,000 for 2012.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

CITY OF WOODBURN  
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2013, with Holly Sarrazine, Clerk-Treasurer, and Richard A. Hoepfner, Mayor.