

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF MONTEREY
PULASKI COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/26/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda S. McCune	01-01-04 to 12-31-07
President of the Town Council	James C. Fleury	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MONTEREY, PULASKI COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Monterey (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 21, 2006

TOWN OF MONTEREY
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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 18,199	\$ 107,117	\$ 70,079	\$ 55,237
Motor Vehicle Highway	25,844	7,132	14,720	18,256
Local Road and Street	18,299	989	140	19,148
Cumulative Capital Improvement	3,195	862	-	4,057
County Economic Development Income Tax	2,300	3,022	500	4,822
Proprietary Funds:				
Wastewater Utility - Operating	12,422	83,405	80,919	14,908
Wastewater Utility - Bond and Interest	27,676	21,000	20,335	28,341
Wastewater Utility - Improvement	30,401	3,600	-	34,001
Totals	<u>\$ 138,336</u>	<u>\$ 227,127</u>	<u>\$ 186,693</u>	<u>\$ 178,770</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 55,237	\$ 96,756	\$ 110,300	\$ 41,693
Motor Vehicle Highway	18,256	6,975	5,418	19,813
Local Road and Street	19,148	994	-	20,142
Cumulative Capital Improvement	4,057	714	200	4,571
County Economic Development Income Tax	4,822	3,063	1,500	6,385
Proprietary Funds:				
Wastewater Utility - Operating	14,908	78,423	79,986	13,345
Wastewater Utility - Bond and Interest	28,341	21,000	20,155	29,186
Wastewater Utility - Improvement	34,001	3,600	17,309	20,292
Fiduciary Fund:				
Levy Excess	-	6,523	-	6,523
Totals	<u>\$ 178,770</u>	<u>\$ 218,048</u>	<u>\$ 234,868</u>	<u>\$ 161,950</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MONTEREY
NOTES TO SCHEDULES

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.

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. Long-Term Debt

The Town has entered into debt for Wastewater Utility revenue bonds. The outstanding principal at December 31, 2005, was \$355,000.

TOWN OF MONTEREY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2006, with Linda S. McCune, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.