

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

EXAMINATION REPORT

OF

TOWN OF MEDARYVILLE

PULASKI COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**

02/22/2007



## 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
Examination Results and Comments:	
Official Bond .....	7
Prescribed Forms .....	7
Annual Report.....	7
Capital Asset Records .....	7
Exit Conference .....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sheila Calvert Judy K. Harwood	09-06-02 to 05-01-05 05-03-05 to 12-31-07
President of the Town Council	Jerry Beiswanger Gene Payne	01-01-05 to 05-01-05 05-03-05 to 12-31-07
Superintendent of Utilities	Lloyd Brick	01-01-05 to 12-31-07



**STATE OF INDIANA**  
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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 MEDARYVILLE, PULASKI COUNTY, INDIANA

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

January 22, 2007

TOWN OF MEDARYVILLE  
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	\$ 161,048	\$ 210,020	\$ 222,590	\$ 148,478
Motor Vehicle Highway	64,845	77,503	57,961	84,387
Local Road and Street	4,011	2,382	519	5,874
Park and Recreation	3,528	-	280	3,248
Law Enforcement Continuing Education	301	644	-	945
Cumulative Capital Improvement	16,021	1,746	-	17,767
County Economic Development Income Tax	20,299	12,471	-	32,770
<b>Proprietary Funds:</b>				
Water Utility - Operating	87,305	151,724	163,732	75,297
Water Utility - Bond and Interest	-	55,900	54,683	1,217
Water Utility - Debt Reserve	28,026	2,400	-	30,426
Water Utility - Customer Deposit	23,826	7,050	12,676	18,200
Water Utility - Replacement	4,800	-	-	4,800
Water Utility - Grant Fund	6,339	16	-	6,355
Wastewater Utility - Operating	9,880	205,351	193,766	21,465
Wastewater Utility - Bond and Interest	17,684	105,000	119,781	2,903
Wastewater Utility - Debt Reserve	94,937	31,435	-	126,372
Wastewater Utility - Replacement	17,600	28,750	-	46,350
Wastewater Utility - Construction	38,122	1,937	-	40,059
<b>Fiduciary Fund:</b>				
Payroll	-	86,002	85,832	170
<b>Totals</b>	<u>\$ 598,572</u>	<u>\$ 980,331</u>	<u>\$ 911,820</u>	<u>\$ 667,083</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 148,478	\$ 218,803	\$ 255,332	\$ 111,949
Motor Vehicle Highway	84,387	59,862	92,798	51,451
Local Road and Street	5,874	2,312	158	8,028
Park and Recreation	3,248	605	2,975	878
Law Enforcement Continuing Education	945	798	644	1,099
Cumulative Capital Improvement	17,767	4,519	1,650	20,636
County Economic Development Income Tax	32,770	17,580	2,501	47,849
<b>Proprietary Funds:</b>				
Water Utility - Operating	75,297	160,016	162,082	73,231
Water Utility - Bond and Interest	1,217	54,000	53,916	1,301
Water Utility - Debt Reserve	30,426	5,400	-	35,826
Water Utility - Customer Deposit	18,200	6,050	4,375	19,875
Water Utility - Replacement	4,800	-	1,947	2,853
Water Utility - Grant Fund	6,355	-	6,355	-
Wastewater Utility - Operating	21,465	223,897	191,357	54,005
Wastewater Utility - Bond and Interest	2,903	105,000	105,970	1,933
Wastewater Utility - Debt Reserve	126,372	-	15,000	111,372
Wastewater Utility - Replacement	46,350	80,999	-	127,349
Wastewater Utility - Construction	40,059	-	40,059	-
<b>Fiduciary Funds:</b>				
Payroll	170	137,657	137,827	-
Levy Excess	-	6,155	-	6,155
<b>Totals</b>	<u>\$ 667,083</u>	<u>\$ 1,083,653</u>	<u>\$ 1,074,946</u>	<u>\$ 675,790</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MEDARYVILLE  
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, 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. 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 MEDARYVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Business-type activities:		
Water Utility:		
Loans:		
Indiana bond bank	\$ 24,000	\$ 4,000
Loan from wastewater	50,616	12,000
Revenue bonds:		
Construction of extensions and improvements	47,000	11,000
Construction and improvement	<u>766,000</u>	<u>1,000</u>
 Total Water Utility	 <u>887,616</u>	 <u>28,000</u>
 Wastewater Utility:		
Loans:		
SRF loan	335,000	-
Revenue bonds:		
2005 refunding	<u>430,000</u>	<u>-</u>
 Total Wastewater Utility	 <u>765,000</u>	 <u>-</u>
 Total business-type activities long-term debt	 <u>\$ 1,652,616</u>	 <u>\$ 56,000</u>

TOWN OF MEDARYVILLE  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The only bond filed by Sheila Calvert, the former Clerk-Treasurer, in the Office of the County Recorder was for the period August 26, 2002 through August 26, 2003. She was Clerk-Treasurer until May 1, 2005.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

PRESCRIBED FORMS

The following prescribed or approved form was not in use, Investment Register, General Form 350.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORT

The annual report for 2005 did not agree with the Utility Simplified Cash Journals.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CAPITAL ASSET RECORDS

Neither the town or the utility maintain sufficient detailed records of capital assets. A similar comment was in the prior two Reports B22074 and B26699.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MEDARYVILLE  
EXIT CONFERENCE

The contents of this report were discussed on January 22, 2007, with Judy K. Harwood, Clerk-Treasurer; and Nema Wireman, Board Member. The officials concurred with our findings.