

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

EXAMINATION REPORT

OF

TOWN OF GENTRYVILLE

SPENCER COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
08/01/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Theresa Donnelly  
Rebecca A. Hart

01-01-05 to 05-31-05  
06-01-05 to 12-31-07

President of the Town Council

Martha DeWitt

01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GENTRYVILLE, SPENCER COUNTY, INDIANA

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

July 2, 2007

TOWN OF GENTRYVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY 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
Governmental Funds:				
General	\$ 3,721	\$ 40,715	\$ 30,748	\$ 13,688
Motor Vehicle Highway	9,466	8,117	11,809	5,774
Local Road and Street	1,667	1,504	1,916	1,255
Law Enforcement Continuing Education	1,259	93	1,095	257
Riverboat	3,309	1,652	100	4,861
Excess Levy	-	1,440	-	1,440
Cemetery	1,000	-	-	1,000
Cumulative Capital Improvement	1,700	810	-	2,510
Cumulative Capital Development	7,784	1,080	76	8,788
County Economic Development Income Tax	19,629	7,506	10,461	16,674
Proprietary Funds:				
Water Utility - Operating	50,916	317,947	335,768	33,095
Water Utility - Bond and Interest	-	36,646	31,323	5,323
Water Utility - Customer Deposit	13,601	6,071	3,052	16,620
Water Utility - Debt Reserve	37,320	4,560	-	41,880
Wastewater Utility - Operating	28,259	67,903	93,448	2,714
Wastewater Utility - Bond and Interest	-	31,795	31,795	-
Wastewater Utility - Customer Deposit	-	2,275	-	2,275
Wastewater Utility - Debt Reserve	13,470	4,560	-	18,030
Totals	<u>\$ 193,101</u>	<u>\$ 534,674</u>	<u>\$ 551,591</u>	<u>\$ 176,184</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 13,688	\$ 32,750	\$ 34,575	\$ 11,863
Motor Vehicle Highway	5,774	9,610	7,780	7,604
Local Road and Street	1,255	1,463	1,378	1,340
Law Enforcement Continuing Education	257	70	125	202
Riverboat	4,861	1,649	-	6,510
Excess Levy	1,440	-	1,440	-
Cemetery	1,000	-	-	1,000
Cumulative Capital Improvement	2,510	936	-	3,446
Cumulative Capital Development	8,788	1,133	-	9,921
County Economic Development Income Tax	16,674	6,371	1,323	21,722
Proprietary Funds:				
Water Utility - Operating	33,095	337,897	331,621	39,371
Water Utility - Bond and Interest	5,323	37,000	37,000	5,323
Water Utility - Customer Deposit	16,620	5,526	3,925	18,221
Water Utility - Debt Reserve	41,880	1,140	5,700	37,320
Wastewater Utility - Operating	2,714	81,717	79,216	5,215
Wastewater Utility - Bond and Interest	-	31,463	31,463	-
Wastewater Utility - Customer Deposit	2,275	1,425	850	2,850
Wastewater Utility - Debt Reserve	18,030	4,560	-	22,590
Totals	<u>\$ 176,184</u>	<u>\$ 554,710</u>	<u>\$ 536,396</u>	<u>\$ 194,498</u>

The accompanying notes are an integral part of the schedules.

TOWN OF GENTRYVILLE  
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 GENTRYVILLE  
 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		
Revenue bonds:		
Water Standpipe Project	\$ 122,000	\$ 30,000
Wastewater Utility		
Loan:		
Wastewater Construction	508,000	7,000
 Total business-type activities long-term debt	 \$ 630,000	 \$ 37,000

TOWN OF GENTRYVILLE  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Motor Vehicle Highway	2005	\$ 651
CREDIT	2005	719

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSET RECORDS

The Town did not record capital assets for the examination period. Prior Reports B25920 and B20854 included a similar comment.

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)

ORDINANCES AND RESOLUTIONS

The Town has a resolution concerning Payment in Lieu of Taxes from the Water Utility to the Town. However, the payment was not made for 2006.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF GENTRYVILLE  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Rebecca A. Hart, Clerk-Treasurer; Mona Gaesser, Deputy Clerk-Treasurer; and Martha DeWitt, President of the Town Council. The officials concurred with our findings.

Separate phone exit conferences were held with Council members, William Griepenstroh and Sherry Rue.