

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

EXAMINATION REPORT
OF
TOWN OF RILEY
VIGO COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
12/19/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wanda L. Hylton	01-01-04 to 12-31-07
President of the Town Council	Harry Wilson Sean Trevarthan	01-01-04 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF RILEY, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Riley (Town), for the period of January 1, 2006 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 year ended December 31, 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

October 18, 2007

TOWN OF RILEY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 11,619	\$ 28,260	\$ 28,156	\$ 11,723
Motor Vehicle Highway	31,325	7,932	588	38,669
Local Road and Street	14,767	1,809	6,922	9,654
Donation	1,193	-	-	1,193
Cumulative Capital Improvement	5,995	572	-	6,567
Levy Excess	-	812	-	812
Proprietary Funds:				
Water Utility - Operating	74,468	459,895	476,693	57,670
Water Utility - Bond and Interest	29,289	-	29,289	-
Water Utility - Depreciation	33,000	29,289	-	62,289
Water Utility - Customer Deposit	26,494	3,250	1,790	27,954
Water Utility - Hydrant	-	14,760	-	14,760
Wastewater Utility - Operating	3,768	286,028	277,095	12,701
Wastewater Utility - Bond and Interest	16,345	137,654	136,050	17,949
Wastewater Utility - Depreciation	51,550	25,000	26,500	50,050
Wastewater Utility - Improvement	2,697	-	2,697	-
Totals	\$ 302,510	\$ 995,261	\$ 985,780	\$ 311,991

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

TOWN OF RILEY
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, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash 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 (Indiana Code 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

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.

TOWN OF RILEY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Loans:		
Wastewater Utility Improvements	\$ 1,231,600	\$ 94,500
Revenue bonds:		
Wastewater Utility Improvements	<u>52,000</u>	<u>9,000</u>
Total Wastewater Utility	<u>1,283,600</u>	<u>103,500</u>
Total business-type activities long-term debt:	<u>\$ 1,283,600</u>	<u>\$ 103,500</u>

TOWN OF RILEY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND (Applies to Town and Utilities)

The following official bond was not bound to the State of Indiana but rather to the Town of Riley:

Wanda L. Hylton

Indiana Code 5-4-1-10 states: "All official bonds shall be payable to the state of Indiana; and every such bond shall be obligatory to such state, upon the principal and sureties, for the faithful discharge of all duties required of such officer by any law, then or subsequently in force, for the use of any person injured by any breach of the condition thereof."

DEPOSITS (Applies to Town and Utilities)

Receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER (Applies to Town)

A list of Town employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

TOWN OF RILEY
EXIT CONFERENCE

The contents of this report were discussed on October 23, 2007, with Wanda L. Hylton, Clerk-Treasurer.