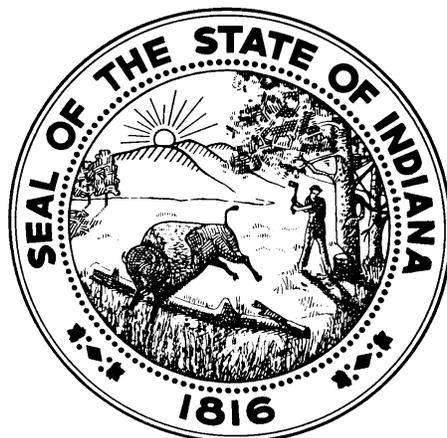


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF POSEYVILLE
POSEY COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
12/31/2007

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Christina Lupfer

01-01-04 to 12-31-07

President of the Town Council

Mark Seib
Steven Ahrens

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF POSEYVILLE, POSEY COUNTY, INDIANA

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

November 8, 2007

TOWN OF POSEYVILLE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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	\$ 100,779	\$ 221,348	\$ 236,855	\$ 85,272
Motor Vehicle Highway	10,691	81,208	73,095	18,804
Local Road and Street	19,336	5,599	3,943	20,992
Park and Recreation	3,596	1,294	1,930	2,960
Cemetery	130	6,149	6,032	247
Law Enforcement Continuing Education	1,402	148	-	1,550
Riverboat	22,476	7,470	22,078	7,868
Law Enforcement Grant	257	-	-	257
Cumulative Capital Improvement	3,714	11,186	6,945	7,955
Cumulative Fire	2,413	2,825	372	4,866
Cumulative Capital Development	24,824	17,228	4,333	37,719
Street Resurfacing Debt Service	44,632	45,450	44,631	45,451
Community Center	22,277	5,631	1,975	25,933
Economic Development Commission	15,484	2,852	2,361	15,975
Fire Fighting Grant	4,000	-	4,000	-
Proprietary Funds:				
Water Utility - Operating	68,364	248,108	305,198	11,274
Water Utility - Bond and Interest	5,340	51,600	46,180	10,760
Water Utility - Depreciation	134,058	24,600	35,413	123,245
Water Utility - Customer Deposit	6,090	3,400	2,610	6,880
Water Utility - Debt Service Reserve	53,876	-	-	53,876
Wastewater Utility - Operating	42,691	451,767	451,972	42,486
Wastewater Utility - Bond and Interest	103,549	112,564	108,635	107,478
Wastewater Utility - Depreciation	22,308	31,614	46,645	7,277
Wastewater Utility - Debt Service Reserve	41,642	26,110	60	67,692
Gas Utility - Operating	111,989	457,251	500,720	68,520
Gas Utility - Cash Reserve	22,571	3,000	-	25,571
Gas Utility - Meter Deposit	7,450	3,750	3,350	7,850
Fiduciary Funds:				
Levy Excess Fund	7,456	1,651	7,456	1,651
Payroll	-	252,691	252,691	-
Payroll Withholding	3,182	149,640	147,861	4,961
Totals	<u>\$ 906,577</u>	<u>\$ 2,226,134</u>	<u>\$ 2,317,341</u>	<u>\$ 815,370</u>

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

TOWN OF POSEYVILLE
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 (police and fire), highways and streets, culture and recreation, public improvements, general administrative services, gas, water, and wastewater.

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 POSEYVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

TOWN OF POSEYVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Street resurfacing	\$ 125,000	\$ 43,938
Business-type Activities:		
Water Utility		
Capital leases:		
Backhoe	\$ 1,036	\$ 1,045
Revenue bonds:		
Water utility improvements	170,000	4,505
Interfund loan:		
Water utility improvements	<u>150,000</u>	<u>25,000</u>
Total Water Utility	<u>321,036</u>	<u>30,550</u>
Wastewater Utility		
Capital leases:		
Backhoe	1,036	1,045
Revenue bonds:		
Refunding bonds	16,283	16,283
State revolving loan:		
Wastewater utility plant	<u>1,499,674</u>	<u>112,643</u>
Total Wastewater Utility	<u>1,516,993</u>	<u>129,971</u>
Gas Utility		
Capital leases:		
Backhoe	<u>1,036</u>	<u>1,045</u>
Total business-type activities debt:	<u>\$ 1,839,065</u>	<u>\$ 161,566</u>

TOWN OF POSEYVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2007, with Christina Lupfer, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.