

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

EXAMINATION REPORT

OF

TOWN OF TENNYSON

WARRICK COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
02/27/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lisa Wyatt	01-01-04 to 12-31-11
President of the Town Council	Steve Bruce	01-01-06 to 12-31-08
Superintendent of Utilities	Don Phillips	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF TENNYSON, WARRICK COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Tennyson (Town), for the period of January 1, 2006 to December 31, 2007. 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 present fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 5, 2008

TOWN OF TENNYSON
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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 32,240	\$ 33,455	\$ 27,048	\$ 38,647
Motor Vehicle Highway	33,805	14,759	9,927	38,637
Local Road and Street	7,877	3,183	-	11,060
Rainy Day	704	-	-	704
FEMA	-	30,996	11,493	19,503
Cumulative Capital Improvement	587	1,036	1,000	623
Cumulative Capital Development	2,624	577	1,500	1,701
EDIT	8,902	6,301	-	15,203
Levy Excess	1,264	-	1,264	-
Proprietary Funds:				
Water Utility - Operating	137,573	732,067	695,117	174,523
Water Utility - Bond and Interest	616	81,138	81,018	736
Water Utility - Depreciation	69,704	89,134	105,813	53,025
Water Utility - Customer Deposit	18,886	18,500	17,050	20,336
Wastewater Utility - Operating	74,653	80,068	74,937	79,784
Wastewater Utility - Bond and Interest	-	14,698	14,698	-
Wastewater Utility - Depreciation	8,538	1,260	2,899	6,899
Fiduciary Fund:				
Payroll	-	101,131	101,131	-
Totals	<u>\$ 397,973</u>	<u>\$ 1,208,303</u>	<u>\$ 1,144,895</u>	<u>\$ 461,381</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 38,647	\$ 49,260	\$ 39,620	\$ 48,287
Motor Vehicle Highway	38,637	14,551	7,474	45,714
Local Road and Street	11,060	3,191	-	14,251
Rainy Day	704	2,755	-	3,459
FEMA	19,503	-	19,503	-
Cumulative Capital Improvement	623	1,019	1,000	642
Cumulative Capital Development	1,701	481	4	2,178
EDIT	15,203	6,274	5,824	15,653
Levy Excess	-	156	-	156
Proprietary Funds:				
Water Utility - Operating	174,523	756,085	753,611	176,997
Water Utility - Bond and Interest	736	76,360	76,240	856
Water Utility - Depreciation	53,025	67,116	61,192	58,949
Water Utility - Customer Deposit	20,336	19,950	19,450	20,836
Wastewater Utility - Operating	79,784	79,504	77,784	81,504
Wastewater Utility - Bond and Interest	-	11,600	11,600	-
Wastewater Utility - Depreciation	6,899	1,415	-	8,314
Fiduciary Fund:				
Payroll	-	137,315	137,312	3
Totals	<u>\$ 461,381</u>	<u>\$ 1,227,032</u>	<u>\$ 1,210,614</u>	<u>\$ 477,799</u>

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

TOWN OF TENNYSON
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, general administrative services, 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 TENNYSON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 17,250
Buildings	334,379
Machinery and equipment	<u>139,449</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 491,078</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,475
Buildings	5,991
Improvements other than buildings	2,268,681
Machinery and equipment	<u>138,712</u>
Total Water Utility capital assets	<u>2,415,859</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	9,500
Buildings	57,790
Improvements other than buildings	924,112
Machinery and equipment	<u>33,455</u>
Total Wastewater Utility capital assets	<u>1,024,857</u>
Total business-type activities capital assets	<u>\$ 3,440,716</u>

TOWN OF TENNYSON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
Waterworks Refunding Revenue Bonds of 1989	\$ 75,000	\$ 80,550
Wastewater Utility		
Revenue bonds:		
Construction Bond of 1988	148,000	11,400
Total business-type activities debt	<u>\$ 223,000</u>	<u>\$ 91,950</u>

TOWN OF TENNYSON
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2008, with Lisa Wyatt, Clerk-Treasurer; and Don Phillips, Superintendent of Utilities. Our examination disclosed no material items that warrant comment at this time.

Separate exit conferences by telephone were held on February 5, 2008, with Town Board Members: Steve Bruce, Tony Curtis and Carrol Morris.