

**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, 2007 to December 31, 2008



**FILED**  
03/03/2009



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OFFICIALS

| <u>Office</u>                    | <u>Official</u> | <u>Term</u>          |
|----------------------------------|-----------------|----------------------|
| Clerk-Treasurer                  | Judy K. Harwood | 05-03-05 to 12-31-11 |
| President of the<br>Town Council | Gene Payne      | 01-01-07 to 12-31-09 |
| Superintendent<br>of Utilities   | Lloyd Brick     | 01-01-07 to 12-31-09 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2007 to December 31, 2008. 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, 2007 and 2008, 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

February 9, 2009

TOWN OF MEDARYVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2007 And 2008

|  | Cash and<br>Investments<br>01-01-07 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-07 |
|--|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Governmental Funds:                    |                                     |                     |                     |                                     |
| General                                | \$ 111,949                          | \$ 214,259          | \$ 242,938          | \$ 83,270                           |
| Motor Vehicle Highway                  | 51,451                              | 74,969              | 77,405              | 49,015                              |
| Local Road and Street                  | 8,028                               | 2,341               | 958                 | 9,411                               |
| Park and Recreation                    | 878                                 | 943                 | 1,098               | 723                                 |
| Law Enforcement Continuing Education   | 1,099                               | 166                 | 638                 | 627                                 |
| Rainy Day                              | -                                   | 10,822              | 40                  | 10,782                              |
| Cumulative Capital Improvement         | 20,636                              | 4,484               | -                   | 25,120                              |
| County Economic Development Income Tax | 47,849                              | 25,070              | 44,571              | 28,348                              |
| Proprietary Funds:                     |                                     |                     |                     |                                     |
| Water Utility - Operating              | 73,231                              | 147,562             | 128,468             | 92,325                              |
| Water Utility - Bond and Interest      | 1,301                               | 54,000              | 54,150              | 1,151                               |
| Water Utility - Debt Reserve           | 35,826                              | 5,400               | -                   | 41,226                              |
| Water Utility - Customer Deposit       | 19,875                              | 5,700               | 4,685               | 20,890                              |
| Water Utility - Replacement            | 2,853                               | 12,000              | -                   | 14,853                              |
| Wastewater Utility - Operating         | 54,005                              | 175,510             | 145,953             | 83,562                              |
| Wastewater Utility - Bond and Interest | 1,933                               | 105,000             | 103,281             | 3,652                               |
| Wastewater Utility - Debt Reserve      | 111,372                             | 4,705               | -                   | 116,077                             |
| Wastewater Utility - Replacement       | 127,349                             | 12,000              | 73,035              | 66,314                              |
| Fiduciary Funds:                       |                                     |                     |                     |                                     |
| Payroll                                | -                                   | 152,504             | 152,504             | -                                   |
| Levy Excess                            | 6,155                               | -                   | 6,155               | -                                   |
| Totals                                 | <u>\$ 675,790</u>                   | <u>\$ 1,007,435</u> | <u>\$ 1,035,879</u> | <u>\$ 647,346</u>                   |

|  | Cash and<br>Investments<br>01-01-08 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-08 |
|--|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Governmental Funds:                    |                                     |                     |                     |                                     |
| General                                | \$ 83,270                           | \$ 234,794          | \$ 243,076          | \$ 74,988                           |
| Motor Vehicle Highway                  | 49,015                              | 68,345              | 66,545              | 50,815                              |
| Local Road and Street                  | 9,411                               | 2,173               | 2,395               | 9,189                               |
| Park and Recreation                    | 723                                 | 845                 | 598                 | 970                                 |
| Law Enforcement Continuing Education   | 627                                 | 1,836               | -                   | 2,463                               |
| Rainy Day                              | 10,782                              | 7,831               | 12,585              | 6,028                               |
| Cumulative Capital Improvement         | 25,120                              | 4,338               | -                   | 29,458                              |
| Community Development Block Grant      | -                                   | 15,800              | 4,000               | 11,800                              |
| County Economic Development Income Tax | 28,348                              | 17,266              | -                   | 45,614                              |
| Proprietary Funds:                     |                                     |                     |                     |                                     |
| Water Utility - Operating              | 92,325                              | 154,826             | 189,869             | 57,282                              |
| Water Utility - Bond and Interest      | 1,151                               | 52,182              | 53,333              | -                                   |
| Water Utility - Debt Reserve           | 41,226                              | 5,400               | -                   | 46,626                              |
| Water Utility - Customer Deposit       | 20,890                              | 6,150               | 5,260               | 21,780                              |
| Water Utility - Replacement            | 14,853                              | 16,890              | 7,600               | 24,143                              |
| Wastewater Utility - Operating         | 83,562                              | 193,550             | 169,233             | 107,879                             |
| Wastewater Utility - Bond and Interest | 3,652                               | 101,904             | 105,556             | -                                   |
| Wastewater Utility - Debt Reserve      | 116,077                             | 7,196               | -                   | 123,273                             |
| Wastewater Utility - Replacement       | 66,314                              | 80,311              | 12,644              | 133,981                             |
| Fiduciary Fund:                        |                                     |                     |                     |                                     |
| Payroll                                | -                                   | 171,320             | 171,320             | -                                   |
| Totals                                 | <u>\$ 647,346</u>                   | <u>\$ 1,142,957</u> | <u>\$ 1,044,014</u> | <u>\$ 746,289</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 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.

Note 5. Deposits and Investments

Deposits, made in accordance with IC 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

| Description of Debt                         | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|---|--------------------------------|---|
| Business-type Activities:                   |                                |   |
| Water Utility                               |                                |   |
| Loans:                                      |                                |   |
| Indiana Bond Bank                           | \$ 16,000                      | \$ 443  |
| Loan from wastewater                        | 26,616                         | 12,000  |
| Revenue bonds:                              |                                |   |
| Construction of extensions and improvements | 25,000                         | 625   |
| Construction and improvements               | <u>764,000</u>                 | <u>35,380</u>                                       |
| Total Water Utility                         | <u>831,616</u>                 | <u>48,448</u>                                       |
| Wastewater Utility                          |                                |   |
| Loans:                                      |                                |   |
| SRF loan                                    | 265,000                        | 2,650   |
| Revenue bonds:                              |                                |   |
| 2005 refunding                              | <u>355,000</u>                 | <u>11,101</u>                                       |
| Total Wastewater Utility                    | <u>620,000</u>                 | <u>13,751</u>                                       |
| Total business-type activities debt:        | <u>\$ 1,451,616</u>            | <u>\$ 62,199</u>                                    |

TOWN OF MEDARYVILLE  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Neither the Town or Utilities maintain sufficient detailed records for capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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 February 9, 2009, with Judy K. Harwood, Clerk-Treasurer; Nema R. Wireman, Council member; and Jackie Hines, Deputy Clerk. The officials concurred with our finding.