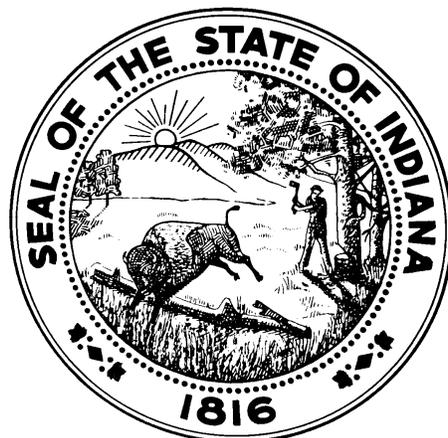


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF ALBANY
DELAWARE COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
09/22/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Examination Results and Comments:	
Appropriations.....	9
Receipt Issuance	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	William Conn Marcie J. Schlosser	01-01-04 to 03-31-08 04-01-08 to 12-31-11
President of the Town Council	Philip Evans Gary L. Beal	01-01-07 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ALBANY, DELAWARE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Albany (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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts 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

August 10, 2009

TOWN OF ALBANY
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, 2007 and 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 143,583	\$ 374,506	\$ 369,532	\$ 148,557
Riverboat	34,839	14,932	4,529	45,242
Rainy Day	-	311	311	-
Motor Vehicle Highway	125,744	187,763	176,046	137,461
Local Road and Street	63,590	22,180	88	85,682
Economic Development Income Tax	6,296	-	-	6,296
Park	22,550	1,238	6,493	17,295
Fire	42,389	47,558	67,727	22,220
Police Continuing Education	1,216	1,381	1,187	1,410
Police Donation	144	-	-	144
Cumulative Capital Improvement	32,464	8,517	406	40,575
Cumulative Capital Development	124,279	20,104	28,937	115,446
Excess Levy	11,459	-	11,459	-
Proprietary Funds:				
Water Utility - Operating	70,894	334,444	288,564	116,774
Water Utility - Bond and Interest	37,599	58,354	52,850	43,103
Water Utility - Depreciation	63,571	24,000	1,572	85,999
Water Utility - Customer Deposit	68,756	9,915	6,841	71,830
Water Utility - Debt Service Reserve	53,600	-	-	53,600
Water Utility - Operating Reserve	46,448	-	-	46,448
Wastewater Utility - Operating	108,696	697,777	642,172	164,301
Wastewater Utility - Bond and Interest	184,781	270,001	221,727	233,055
Wastewater Utility - Depreciation	201,191	82,400	64,240	219,351
Wastewater Utility - Construction	(725)	410,000	407,352	1,923
Wastewater Utility - Debt Service Reserve	63,618	43,623	-	107,241
Wastewater Utility - Operating Reserve	103,200	-	-	103,200
Storm Water Utility - Operating	95,500	232,749	203,847	124,402
Storm Water Utility - Bond and Interest	34,657	134,136	76,341	92,452
Storm Water Utility - Depreciation	43,890	25,080	8,350	60,620
Storm Water Utility - Debt Service Reserve	36,498	21,976	-	58,474
Storm Water Utility - Operating Reserve	34,562	-	-	34,562
Trash Utility - Operating	17,791	94,125	91,381	20,535
Fiduciary Fund:				
Payroll	-	457,526	457,526	-
Totals	\$ 1,873,080	\$ 3,574,596	\$ 3,189,478	\$ 2,258,198

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 148,557	\$ 526,068	\$ 672,330	\$ 2,295
Riverboat	45,242	14,854	-	60,096
Rainy Day	-	3,099	46	3,053
Motor Vehicle Highway	137,461	94,981	101,515	130,927
Local Road and Street	85,682	20,986	73,109	33,559
Economic Development Income Tax	6,296	107,874	-	114,170
Park	17,295	722	7,259	10,758
Fire	22,220	51,249	51,907	21,562
Police Continuing Education	1,410	1,682	140	2,952
Police Donation	144	1,000	800	344
Cumulative Capital Improvement	40,575	7,701	6,216	42,060
Cumulative Capital Development	115,446	126,711	115,000	127,157
Proprietary Funds:				
Water Utility - Operating	116,774	337,872	274,361	180,285
Water Utility - Bond and Interest	43,103	49,700	51,100	41,703
Water Utility - Depreciation	85,999	38,400	-	124,399
Water Utility - Customer Deposit	71,830	8,550	7,116	73,264
Water Utility - Debt Service Reserve	53,600	-	-	53,600
Water Utility - Operating Reserve	46,448	1,646	-	48,094
Wastewater Utility - Operating	164,301	660,971	672,386	152,886
Wastewater Utility - Bond and Interest	233,055	269,988	271,430	231,613
Wastewater Utility - Depreciation	219,351	231,600	150,000	300,951
Wastewater Utility - Construction	1,923	22,300	24,223	-
Wastewater Utility - Debt Service Reserve	107,241	42,960	-	150,201
Wastewater Utility - Operating Reserve	103,200	3,829	-	107,029
Wastewater Utility - EDIT	-	125,000	55,108	69,892
Storm Water Utility - Operating	124,402	227,529	214,296	137,635
Storm Water Utility - Bond and Interest	92,452	135,432	133,408	94,476
Storm Water Utility - Depreciation	60,620	25,080	-	85,700
Storm Water Utility - Debt Service Reserve	58,474	21,084	-	79,558
Storm Water Utility - Operating Reserve	34,562	-	-	34,562
Trash Utility - Operating	20,535	99,733	93,698	26,570
Fiduciary Fund:				
Payroll	-	497,561	497,561	-
Totals	\$ 2,258,198	\$ 3,756,162	\$ 3,473,009	\$ 2,541,351

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

TOWN OF ALBANY
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, streets, planning and zoning, culture and recreation, general administration, water, wastewater, storm water and sanitation.

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 Treasurers of Delaware and Randolph Counties 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. However, the second installment of taxes normally due in 2008 was not due until early in 2009 for Delaware County.

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 ALBANY
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 ALBANY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

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.

General infrastructure assets completed in the current years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 65,930
Infrastructure	224,327
Buildings	370,305
Improvements other than buildings	53,374
Machinery and equipment	<u>801,297</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>1,515,233</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 14,188
Buildings	183,327
Improvements other than buildings	1,199,418
Machinery and equipment	<u>573,776</u>
 Total Water Utility capital assets	 \$ <u>1,970,709</u>

Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 80,973
Buildings	208,282
Infrastructure	5,511,451
Improvements other than buildings	2,292,347
Machinery and equipment	<u>562,785</u>
 Total Wastewater Utility capital assets	 \$ <u>8,655,838</u>

Stormwater Utility:	
Capital assets, not being depreciated:	
Land	\$ 64,103
Infrastructure	2,628,518
Machinery and equipment	<u>35,889</u>
 Total Stormwater Utility capital assets	 \$ <u>2,728,510</u>

Total business-type activities capital assets	<u>\$ 13,355,057</u>
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TOWN OF ALBANY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2008

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:		
Capital leases:		
Police Car	<u>\$ 6,265</u>	<u>\$ 3,877</u>
Business-type Activities		
Water Utility		
Revenue bonds:		
Improvements	<u>\$ 287,000</u>	<u>\$ 35,000</u>
Wastewater Utility		
Revenue bonds:		
Improvements-Mutual	\$ 1,615,000	\$ 70,000
Improvements-R&D	<u>2,144,000</u>	<u>23,000</u>
Total Wastewater Utility	<u>\$ 3,759,000</u>	<u>\$ 93,000</u>
Storm Water Utility		
Revenue bonds:		
Improvements-Mutual	\$ 870,000	\$ 38,000
Improvements-R&D	<u>999,000</u>	<u>11,000</u>
Total Stormwater Utility	<u>\$ 1,869,000</u>	<u>\$ 49,000</u>
Total business-type activities long-term debt:	<u>\$ 5,921,265</u>	<u>\$ 180,877</u>

TOWN OF ALBANY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

Disbursements from the Local Road and Street Fund in 2008 exceeded approved appropriations by \$25,109.

IC 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."

RECEIPT ISSUANCE

In at least two instances, the receipt prepared by the Administrative Officer of the Planning Commission was dated at least a week after money was collected. Either the dates were incorrect or the receipts were not issued immediately.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. . . . Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF ALBANY
EXIT CONFERENCE

The contents of this report were discussed on September 1, 2009, with Marcie J. Schlosser, Clerk-Treasurer; and Gary L. Beal, President of the Town Council.