

**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, 2007 to December 31, 2008



**FILED**  
12/09/2009



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Wanda L. Hylton

01-01-04 to 12-31-11

President of the Town Council

Sean Trevarthan  
Clayton White

01-01-07 to 12-31-07  
01-01-08 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 RILEY, VIGO COUNTY, INDIANA

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

October 29, 2009

TOWN OF RILEY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY 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
<b>Governmental Funds:</b>				
General	\$ 11,723	\$ 18,472	\$ 25,143	\$ 5,052
Motor Vehicle Highway	38,669	7,912	1,160	45,421
Local Road and Street	9,654	1,787	-	11,441
Donation	1,193	-	180	1,013
Levy Excess	812	-	812	-
Cumulative Capital Improvement	6,567	561	-	7,128
<b>Proprietary Funds:</b>				
Water Utility - Operating	57,670	448,438	452,221	53,887
Water Utility - Depreciation	62,289	11,647	-	73,936
Water Utility - Customer Deposit	27,954	3,400	1,535	29,819
Water Utility - Hydrant	14,760	-	-	14,760
Wastewater Utility - Operating	12,701	250,567	263,018	250
Wastewater Utility - Bond and Interest	17,949	129,080	138,449	8,580
Wastewater Utility - Depreciation	50,050	8,100	-	58,150
<b>Totals</b>	<b>\$ 311,991</b>	<b>\$ 879,964</b>	<b>\$ 882,518</b>	<b>\$ 309,437</b>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 5,052	\$ 33,509	\$ 29,383	\$ 9,178
Motor Vehicle Highway	45,421	12,257	1,133	56,545
Local Road and Street	11,441	1,675	-	13,116
Donation	1,013	-	135	878
Cumulative Capital Improvement	7,128	520	6,200	1,448
<b>Proprietary Funds:</b>				
Water Utility - Operating	53,887	458,970	456,747	56,110
Water Utility - Depreciation	73,936	-	19,050	54,886
Water Utility - Customer Deposit	29,819	2,750	1,390	31,179
Water Utility - Hydrant	14,760	-	-	14,760
Wastewater Utility - Operating	250	299,120	299,303	67
Wastewater - FEMA Disaster Grant	-	16,127	4,790	11,337
Wastewater Utility - Bond and Interest	8,580	105,150	108,730	5,000
Wastewater Utility - Depreciation	58,150	-	48,100	10,050
<b>Totals</b>	<b>\$ 309,437</b>	<b>\$ 930,078</b>	<b>\$ 974,961</b>	<b>\$ 264,554</b>

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 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.

TOWN OF RILEY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Subsequent Events

A. Sale of Water Utility

The Town of Riley is in the process of selling the Riley Water Utility to the Indiana American Water Company. The anticipated proceeds are approximately \$1,025,500 with the sale expected to be completed in 2010.

B. Wastewater Improvement Project

The Town of Riley is in the process of securing financing for a Wastewater Improvement Project. The project will be financed from issuance of Sewage Works Revenue Bonds, a State Revolving Fund loan and American Recovery and Reinvestment Act funds. The total estimated cost of the project is not expected to exceed \$900,000.

TOWN OF RILEY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2008

Description of Asset	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Loans:	\$ 1,047,600	\$ 99,500
Wastewater Utility improvements		
Revenue bonds:		
Wastewater Utility improvements	<u>33,000</u>	<u>10,000</u>
Total Wastewater Utility	<u>1,080,600</u>	<u>109,500</u>
Total business-type activities long-term debt	<u>\$ 1,080,600</u>	<u>\$ 109,500</u>

TOWN OF RILEY  
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2009, with Wanda L. Hylton, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.