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

EXAMINATION REPORT
OF
TOWN OF MICHIGANTOWN
CLINTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
07/26/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith Rule	01-01-08 to 12-31-11
President of the Town Council	Wanda Surber Diana Richardson	01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MICHIGANTOWN, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Michigantown (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

June 21, 2010

TOWN OF MICHIGANTOWN
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 76,082	\$ 64,465	\$ 67,874	\$ 72,673
Motor Vehicle Highway	109,627	16,859	5,992	120,494
Local Road and Street	21,876	1,979	1,807	22,048
Law Enforcement Continuing Education	606	430	-	1,036
County Economic Development Income Tax	52,697	5,022	-	57,719
Riverboat	5,937	-	-	5,937
Rainy Day	-	1,911	-	1,911
Cumulative Capital Improvement	7,113	1,321	1,450	6,984
Cumulative Capital Development	37,464	2,688	-	40,152
Proprietary Funds:				
Wastewater Utility - Operating	29,960	95,580	92,758	32,782
Wastewater Utility - Bond and Interest	15,650	16,200	15,650	16,200
Wastewater Utility - Reserve	25,857	1,051	-	26,908
Wastewater Utility - Improvement	118,491	29,604	9,974	138,121
Totals	<u>\$ 501,360</u>	<u>\$ 237,110</u>	<u>\$ 195,505</u>	<u>\$ 542,965</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 72,673	\$ 62,925	\$ 67,076	\$ 68,522
Motor Vehicle Highway	120,494	16,610	47,467	89,637
Local Road and Street	22,048	1,866	2,270	21,644
Law Enforcement Continuing Education	1,036	110	-	1,146
County Economic Development Income Tax	57,719	5,879	-	63,598
Riverboat	5,937	-	-	5,937
Rainy Day	1,911	337	-	2,248
Cumulative Capital Improvement	6,984	1,245	2,500	5,729
Cumulative Capital Development	40,152	2,132	-	42,284
Proprietary Funds:				
Wastewater Utility - Operating	32,782	92,572	94,181	31,173
Wastewater Utility - Bond and Interest	16,200	15,700	16,200	15,700
Wastewater Utility - Reserve	26,908	277	-	27,185
Wastewater Utility - Improvement	138,121	26,371	-	164,492
Totals	<u>\$ 542,965</u>	<u>\$ 226,024</u>	<u>\$ 229,694</u>	<u>\$ 539,295</u>

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

TOWN OF MICHIGANTOWN
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, 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 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.

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 MICHIGANTOWN
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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 have not been included.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	\$ 59,164
 Total governmental activities, capital assets not being depreciated	 <u>\$ 59,164</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 80,000
Buildings	759,766
Improvements other than buildings	1,192,381
Machinery and equipment	<u>103,824</u>
 Total business-type capital assets	 <u>\$ 2,135,971</u>

TOWN OF MICHIGANTOWN
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater Utility:		
Revenue bonds:		
Wastewater Line Improvement	\$ 114,000	\$ 15,700
Total Wastewater Utility	<u>\$ 114,000</u>	<u>\$ 15,700</u>

TOWN OF MICHIGANTOWN
EXIT CONFERENCE

The contents of this report were discussed on June 21, 2010, with Judith Rule, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.