

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, 2008 to December 31, 2009



FILED
12/20/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lisa Wyatt	01-01-08 to 12-31-11
President of the Town Council	Steve Bruce	01-01-08 to 12-31-10
Superintendent of Utilities	Don Phillips	01-01-08 to 12-31-10



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, 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

October 21, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 48,287	\$ 23,194	\$ 38,733	\$ 32,748
Motor Vehicle Highway	45,714	12,234	40,698	17,250
Local Road and Street	14,251	3,088	6,849	10,490
Rainy Day	3,459	-	-	3,459
Cumulative Capital Improvement	642	943	-	1,585
Cumulative Capital Development	2,178	3,420	-	5,598
EDIT	15,653	8,095	16,704	7,044
Levy Excess	156	-	156	-
Proprietary Funds:				
Water Utility - Operating	176,997	710,763	718,945	168,815
Water Utility - Bond and Interest	856	89,706	81,430	9,132
Water Utility - Depreciation	58,949	6,000	33,204	31,745
Water Utility - Customer Deposit	20,836	1,650	1,408	21,078
Wastewater Utility - Operating	81,504	76,875	82,982	75,397
Wastewater Utility - Bond and Interest	-	19,380	6,840	12,540
Wastewater Utility - Depreciation	8,314	1,260	1,980	7,594
Fiduciary Fund:				
Payroll	3	138,364	138,367	-
Totals	<u>\$ 477,799</u>	<u>\$ 1,094,972</u>	<u>\$ 1,168,296</u>	<u>\$ 404,475</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 32,748	\$ 31,033	\$ 33,420	\$ 30,361
Motor Vehicle Highway	17,250	11,819	20,604	8,465
Local Road and Street	10,490	2,970	8,520	4,940
Rainy Day	3,459	-	2,864	595
FEMA	-	7,370	7,370	-
Cumulative Capital Improvement	1,585	889	1,000	1,474
Cumulative Capital Development	5,598	7,853	2,864	10,587
EDIT	7,044	8,615	3,792	11,867
Proprietary Funds:				
Water Utility - Operating	168,815	747,574	748,195	168,194
Water Utility - Bond and Interest	9,132	-	9,132	-
Water Utility - Depreciation	31,745	27,984	3,118	56,611
Water Utility - Customer Deposit	21,078	1,950	1,410	21,618
Wastewater Utility - Operating	75,397	79,820	86,272	68,945
Wastewater Utility - Bond and Interest	12,540	12,280	24,820	-
Wastewater Utility - Depreciation	7,594	1,260	-	8,854
Fiduciary Funds:				
PERF	-	15,213	15,213	-
Payroll	-	134,850	134,847	3
Totals	<u>\$ 404,475</u>	<u>\$ 1,091,480</u>	<u>\$ 1,103,441</u>	<u>\$ 392,514</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.

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
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 TENNYSON
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.

<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	2,277,405
Machinery and equipment	<u>149,933</u>
 Total Water Utility capital assets	 <u>2,435,804</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	9,500
Buildings	57,790
Improvements other than buildings	924,112
Machinery and equipment	<u>35,435</u>
 Total Wastewater Utility capital assets	 <u>1,026,837</u>
 Total business-type activities capital assets	 \$ <u>3,462,641</u>

TOWN OF TENNYSON
 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
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Construction Bond of 1988	\$ 139,000	\$ 11,950

TOWN OF TENNYSON
EXAMINATION RESULT AND COMMENT

OFFICIAL BONDS

Official bonds for the Clerk-Treasurer and Utility Superintendent were not filed in the Office of the County Recorder.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

TOWN OF TENNYSON
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2010, with Lisa Wyatt, Clerk-Treasurer; Tony Curtis, Board member; and Don Phillips, Superintendent of Utilities. The officials concurred with our finding.

Separate exit conferences by telephone were held on October 21, 2010, with Town Board members: Steve Bruce, and Carrol Morris.