

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

EXAMINATION REPORT

OF

TOWN OF TROY

PERRY COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
01/26/2011

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--------------------------------|--|--|
| Clerk-Treasurer | Vicki J. Tuggle (Vacant) Elizabeth S. Linne | 01-01-08 to 05-15-08 05-16-08 to 05-26-08 05-27-08 to 12-31-11 |
| President of the Town Council | Edward Sweeney Martha S. Fortwendel Edward Sweeney | 01-01-08 to 12-31-08 01-01-09 to 04-01-10 04-02-10 to 12-31-10 |
| President of the Utility Board | Roger Fella | 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 TROY, PERRY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Troy (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, 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

December 29, 2010

TOWN OF TROY
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 | | Disbursements | Cash and Investments | |
|--|----------------------|---------------------|---------------------|----------------------|--|
| | 01-01-08 | Receipts | | 12-31-08 | |
| Governmental Funds: | | | | | |
| General | \$ 2,247 | \$ 41,821 | \$ 41,057 | \$ 3,011 | |
| Motor Vehicle Highway | 24,443 | 13,786 | 8,981 | 29,248 | |
| Local Road and Street | 7,407 | 1,701 | - | 9,108 | |
| Park and Recreation | - | 201 | - | 201 | |
| Law Enforcement Continuing Education | 193 | 130 | 67 | 256 | |
| Riverboat | 411 | 2,459 | - | 2,870 | |
| Refuse Collection | 5,980 | 20,472 | 20,201 | 6,251 | |
| Cemetery | 389 | - | 389 | - | |
| Boat Ramp | 24,996 | 760 | 7,616 | 18,140 | |
| Special Projects | 4,046 | 301 | 262 | 4,085 | |
| Building Standards | 189 | - | - | 189 | |
| Cumulative Capital Improvement | - | 691 | 691 | - | |
| Economic Development Income Tax | 718 | 4,183 | 2,509 | 2,392 | |
| Proprietary Funds: | | | | | |
| Water Utility - Operating | 54,768 | 186,026 | 151,329 | 89,465 | |
| Water Utility - Bond and Interest | 10,392 | - | 10,392 | - | |
| Water Utility - Depreciation | 35,883 | 11,215 | 15,000 | 32,098 | |
| Water Utility - Customer Deposit | 18,567 | 2,700 | 2,694 | 18,573 | |
| Wastewater Utility - Operating | 252,048 | 208,343 | 140,179 | 320,212 | |
| Wastewater Utility - Bond and Interest | 22,727 | - | 22,727 | - | |
| Wastewater Utility - Depreciation | 33,007 | 11,148 | 5,922 | 38,233 | |
| Wastewater Utility - Debt Service | 32,828 | 677 | 33,505 | - | |
| Wastewater Utility - Improvement | - | 18,505 | - | 18,505 | |
| Wastewater Utility - Cash Reserve | 4,400 | - | 4,400 | - | |
| Electric Utility - Operating | 482,781 | 1,284,997 | 1,006,387 | 761,391 | |
| Electric Utility - Depreciation | 88,202 | 30,473 | - | 118,675 | |
| Electric Utility - Customer Deposit | 35,306 | 6,400 | 7,467 | 34,239 | |
| Totals | \$ 1,141,928 | \$ 1,846,989 | \$ 1,481,775 | \$ 1,507,142 | |

| | Cash and Investments | | Disbursements | Cash and Investments | |
|--------------------------------------|----------------------|---------------------|---------------------|----------------------|--|
| | 01-01-09 | Receipts | | 12-31-09 | |
| Governmental Funds: | | | | | |
| General | \$ 3,011 | \$ 45,995 | \$ 40,154 | \$ 8,852 | |
| Motor Vehicle Highway | 29,248 | 12,990 | 28,569 | 13,669 | |
| Local Road and Street | 9,108 | 1,597 | 6,000 | 4,705 | |
| Park and Recreation | 201 | - | - | 201 | |
| Law Enforcement Continuing Education | 256 | 10 | - | 266 | |
| Riverboat | 2,870 | 2,453 | - | 5,323 | |
| Refuse Collection | 6,251 | 20,555 | 15,519 | 11,287 | |
| Boat Ramp | 18,140 | - | 1,829 | 16,311 | |
| Special Projects | 4,085 | - | - | 4,085 | |
| Building Standards | 189 | - | - | 189 | |
| Cumulative Capital Improvement | - | 1,202 | 1,202 | - | |
| Economic Development Income Tax | 2,392 | 5,043 | 1,796 | 5,639 | |
| Proprietary Funds: | | | | | |
| Water Utility - Operating | 89,465 | 140,376 | 175,485 | 54,356 | |
| Water Utility - Depreciation | 32,098 | 17,308 | 12,015 | 37,391 | |
| Water Utility - Customer Deposit | 18,573 | 3,693 | 3,540 | 18,726 | |
| Wastewater Utility - Operating | 320,212 | 131,493 | 145,678 | 306,027 | |
| Wastewater Utility - Depreciation | 38,233 | 900 | 5,500 | 33,633 | |
| Wastewater Utility - Improvement | 18,505 | 15,804 | - | 34,309 | |
| Electric Utility - Operating | 761,391 | 1,369,223 | 1,060,786 | 1,069,828 | |
| Electric Utility - Depreciation | 118,675 | 3,808 | 16,000 | 106,483 | |
| Electric Utility - Customer Deposit | 34,239 | 7,601 | 8,599 | 33,241 | |
| Fiduciary Fund: | | | | | |
| Payroll | - | 153,363 | 150,981 | 2,382 | |
| Totals | \$ 1,507,142 | \$ 1,933,414 | \$ 1,673,653 | \$ 1,766,903 | |

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

TOWN OF TROY
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.

Note 6. Loan from Electric Utility to Water Utility

The Water Utility has a loan from the Electric Utility outstanding at December 31, 2009. The original loan was \$60,000. The remaining balance as of December 31, 2009, is \$20,000. This loan was repaid in full on December 13, 2010.

TOWN OF TROY
 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: | |
| Machinery and equipment | \$ <u>9,850</u> |

| <u>Primary Government</u> | <u>Ending Balance</u> |
|---|---------------------------|
| Business-type activities: | |
| Water Utility: | |
| Capital assets, not being depreciated: | |
| Land | \$ 4,000 |
| Buildings | 114,709 |
| Improvements other than buildings | 1,321,196 |
| Machinery and equipment | <u>85,831</u> |
| Total Water Utility capital assets | <u>1,525,736</u> |
| Wastewater Utility: | |
| Capital assets, not being depreciated: | |
| Land | 67,515 |
| Buildings | 11,863 |
| Improvements other than buildings | 403,531 |
| Machinery and equipment | <u>80,095</u> |
| Total Wastewater Utility capital assets | <u>563,004</u> |
| Electric Utility: | |
| Capital assets, not being depreciated: | |
| Land | 64,612 |
| Buildings | 78,313 |
| Improvements other than buildings | 960,116 |
| Machinery and equipment | <u>434,809</u> |
| Total Electric Utility capital assets | <u>1,537,850</u> |
| Total business-type activities capital assets | <u>\$ 3,626,590</u> |

TOWN OF TROY
EXIT CONFERENCE

The contents of this report were discussed on December 29, 2010, with Elizabeth S. Linne, Clerk-Treasurer; Edward Sweeney, President of the Town Council; and Roger Fella, President of the Utility Board. Our examination disclosed no material items that warrant comment at this time.