

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

EXAMINATION REPORT  
OF  
TOWN OF MEDARYVILLE  
PULASKI COUNTY, INDIANA  
January 1, 2009 to December 31, 2010



**FILED**  
05/18/2011



## 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
Supplementary Information: Schedule of Long-Term Debt .....	6
Examination Result and Comment: Capital Asset Records .....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Judy Harwood

01-01-08 to 12-31-11

President of the  
Town Council

Gene Payne

01-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MEDARYVILLE, PULASKI COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Medaryville (Town), for the period of January 1, 2009 to December 31, 2010. 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, 2009 and 2010, 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

April 14, 2011

TOWN OF MEDARYVILLE  
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, 2009 And 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 74,988	\$ 220,626	\$ 198,965	\$ 96,649
Motor Vehicle Highway	50,815	42,774	41,962	51,627
Local Road and Street	9,189	3,120	3,128	9,181
Park and Recreation	970	1,029	325	1,674
Law Enforcement Continuing Education	2,463	545	662	2,346
Rainy Day	6,028	-	772	5,256
Sanitation	-	23,113	21,307	1,806
Cumulative Capital Improvement	29,458	1,732	1,035	30,155
Community Development Block Grant	11,800	106,200	118,000	-
County Economic Development Income Tax	45,614	22,385	37,751	30,248
<b>Proprietary Funds:</b>				
Water Utility - Operating	57,282	181,321	176,840	61,763
Water Utility - Bond and Interest	-	54,516	54,516	-
Water Utility - Debt Reserve	46,626	5,531	-	52,157
Water Utility - Customer Deposit	21,780	5,400	4,425	22,755
Water Utility - Replacement	24,143	12,000	882	35,261
Wastewater Utility - Operating	107,879	168,640	164,031	112,488
Wastewater Utility - Bond and Interest	-	102,502	102,502	-
Wastewater Utility - Debt Reserve	123,273	3,020	-	126,293
Wastewater Utility - Replacement	133,981	12,039	12,154	133,866
<b>Fiduciary Funds:</b>				
Excess Levy	-	11,654	-	11,654
Payroll	-	163,053	162,997	56
<b>Totals</b>	<b>\$ 746,289</b>	<b>\$ 1,141,200</b>	<b>\$ 1,102,254</b>	<b>\$ 785,235</b>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
<b>Governmental Funds:</b>				
General	\$ 96,649	\$ 252,682	\$ 184,741	\$ 164,590
Motor Vehicle Highway	51,627	52,197	45,113	58,711
Local Road and Street	9,181	2,107	6,592	4,696
Park and Recreation	1,674	1,152	846	1,980
Law Enforcement Continuing Education	2,346	1,925	1,271	3,000
Rainy Day	5,256	24,959	-	30,215
Sanitation	1,806	38,769	38,134	2,441
Cumulative Capital Improvement	30,155	1,654	4,190	27,619
Community Development Block Grant	-	-	-	-
County Economic Development Income Tax	30,248	18,338	4,128	44,458
<b>Proprietary Funds:</b>				
Water Utility - Operating	61,763	180,508	176,933	65,338
Water Utility - Bond and Interest	-	40,944	40,944	-
Water Utility - Debt Reserve	52,157	5,603	13,971	43,789
Water Utility - Customer Deposit	22,755	3,900	3,125	23,530
Water Utility - Replacement	35,261	12,000	-	47,261
Wastewater Utility - Operating	112,488	170,072	159,974	122,586
Wastewater Utility - Bond and Interest	-	104,428	104,428	-
Wastewater Utility - Debt Reserve	126,293	599	5,723	121,169
Wastewater Utility - Replacement	133,866	14,616	8,077	140,405
<b>Fiduciary Funds:</b>				
Excess Levy	11,654	563	11,654	563
Payroll	56	170,517	170,517	56
<b>Totals</b>	<b>\$ 785,235</b>	<b>\$ 1,097,533</b>	<b>\$ 980,361</b>	<b>\$ 902,407</b>

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

TOWN OF MEDARYVILLE  
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, 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. Subsequent Event

The Town entered into a grant agreement for future funding that will be used for storm water system upgrades to alleviate flooding. This agreement with the Indiana Office of Community and Rural Affairs will provide federal funding in the amount of \$922,680 for work to begin in 2011.

TOWN OF MEDARYVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Loans:		
Indiana Bond Bank	\$ 6,000	\$ 6,332
Revenue bonds:		
Construction and Improvements	<u>762,000</u>	<u>35,290</u>
Total Water Utility	<u>768,000</u>	<u>41,622</u>
Wastewater Utility:		
Loans:		
SRF Loan	195,000	38,900
Revenue bonds:		
2005 Refunding	<u>270,000</u>	<u>62,000</u>
Total Wastewater Utility	<u>465,000</u>	<u>100,900</u>
Total business-type activities debt	<u>\$ 1,233,000</u>	<u>\$ 142,522</u>

TOWN OF MEDARYVILLE  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Neither the Town nor Utilities maintain sufficient detailed records of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MEDARYVILLE  
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2011, with Judy Harwood, Clerk-Treasurer; Corrie Hauptli, Deputy Clerk-Treasurer; and Rick Prater, Council member. The officials concurred with our finding.