

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

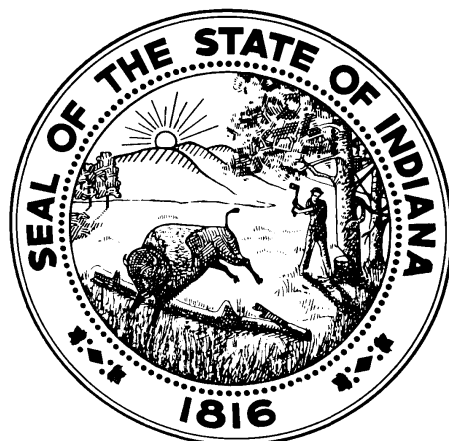
EXAMINATION REPORT

OF

TOWN OF MONTEREY

PULASKI COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
10/30/2008

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 Capital Assets.....	6
Schedule of Long-Term Debt	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda S. McCune	01-01-04 to 12-31-11
President of the Town Council	James C. Fleury	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Monterey (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

September 22, 2008

TOWN OF MONTEREY
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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 41,693	\$ 155,955	\$ 150,858	\$ 46,790
Motor Vehicle Highway	19,813	8,413	9,518	18,708
Local Road and Street	20,142	965	-	21,107
Cumulative Capital Improvement	4,571	825	-	5,396
County Economic Development Income Tax	6,385	3,656	500	9,541
Proprietary Funds:				
Wastewater Utility - Operating	13,345	77,921	88,774	2,492
Wastewater Utility - Bond and Interest	7,550	21,000	20,975	7,575
Wastewater Utility - Debt Service Reserve	21,636	-	-	21,636
Wastewater Utility - Improvement	20,292	4,773	2,100	22,965
Fiduciary Fund:				
Levy Excess	6,523	-	6,523	-
Totals	<u>\$ 161,950</u>	<u>\$ 273,508</u>	<u>\$ 279,248</u>	<u>\$ 156,210</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 46,790	\$ 205,020	\$ 218,274	\$ 33,536
Motor Vehicle Highway	18,708	8,242	480	26,470
Local Road and Street	21,107	978	-	22,085
Cumulative Capital Improvement	5,396	812	-	6,208
County Economic Development Income Tax	9,541	5,159	3,366	11,334
Proprietary Funds:				
Wastewater Utility - Operating	2,492	86,531	80,796	8,227
Wastewater Utility - Bond and Interest	7,575	21,000	20,750	7,825
Wastewater Utility - Debt Service Reserve	21,636	-	-	21,636
Wastewater Utility - Improvement	22,965	3,600	-	26,565
Fiduciary Fund:				
Levy Excess	-	2,779	-	2,779
Totals	<u>\$ 156,210</u>	<u>\$ 334,121</u>	<u>\$ 323,666</u>	<u>\$ 166,665</u>

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

TOWN OF MONTEREY
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.

TOWN OF MONTEREY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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	\$ 15,940
Buildings	6,056
Improvements other than buildings	67,867
Machinery and equipment	<u>256,090</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 345,953</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	285,395
Improvements other than buildings	1,236,735
Machinery and equipment	<u>198,071</u>
Total Wastewater Utility capital assets	<u>1,720,201</u>
Total business-type activities capital assets	<u>\$ 1,720,201</u>

TOWN OF MONTEREY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

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:		
Sewage Works Revenue Bonds of 2000	\$ 345,000	\$ 20,525

TOWN OF MONTEREY
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2008, with Linda S. McCune, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.