

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

EXAMINATION REPORT
OF
TOWN OF GRANDVIEW
SPENCER COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/10/2007

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Donna Burrows

01-01-05 to 12-31-07

President of the Town Council

Kevin Myers
Mark Wilson

01-01-05 to 12-31-05
01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GRANDVIEW, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Grandview (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

August 8, 2007

TOWN OF GRANDVIEW
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 181,913	\$ 98,476	\$ 58,662	\$ 221,727
Motor Vehicle Highway	75,955	37,546	27,784	85,717
Local Road and Street	8,075	3,946	-	12,021
Park and Recreation - Donation	-	2,700	2,700	-
Cemetery	5,071	500	3,348	2,223
Community Focus	-	49,950	49,950	-
Cumulative Capital Improvement	10,973	2,151	2,281	10,843
CEDIT	64,720	13,792	7,071	71,441
Town Marshal	238	-	-	238
Proprietary Funds:				
Water Utility - Operating	108,878	102,394	97,238	114,034
Water Utility - Customer Deposit	12,837	4,330	3,615	13,552
Wastewater Utility - Operating	48,468	109,087	131,419	26,136
Wastewater Utility - Bond and Interest	-	30,852	30,852	-
Wastewater Utility - Depreciation	10,191	-	-	10,191
Wastewater Utility - Debt Service	28,400	-	-	28,400
Gas Utility - Operating	21,869	229,754	241,698	9,925
Gas Utility - Customer Deposit	8,630	2,950	2,337	9,243
Fiduciary Fund:				
Payroll	2,400	153,307	152,899	2,808
Totals	\$ 588,618	\$ 841,735	\$ 811,854	\$ 618,499

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 221,727	\$ 94,129	\$ 87,108	\$ 228,748
Motor Vehicle Highway	85,717	37,774	26,166	97,325
Local Road and Street	12,021	3,866	-	15,887
Park and Recreation - Donation	-	3,922	3,201	721
Cemetery	2,223	2,700	449	4,474
Cumulative Capital Improvement	10,843	2,487	2,813	10,517
CEDIT	71,441	21,888	-	93,329
Town Marshal	238	-	-	238
Cemetery Donation	-	50	-	50
Founder's Day	-	1,660	1,170	490
Fire Department Grant	-	3,015	2,684	331
Boat Dock Grant	-	2,256	2,256	-
Proprietary Funds:				
Water Utility - Operating	114,034	126,492	111,303	129,223
Water Utility - Customer Deposit	13,552	3,100	2,153	14,499
Wastewater Utility - Operating	26,136	119,326	116,689	28,773
Wastewater Utility - Bond and Interest	-	30,877	30,877	-
Wastewater Utility - Depreciation	10,191	-	-	10,191
Wastewater Utility - Debt Service	28,400	-	-	28,400
Wastewater Utility - BAN	-	85,566	85,566	-
Gas Utility - Operating	9,925	264,454	238,690	35,689
Gas Utility - Customer Deposit	9,243	1,500	1,181	9,562
Fiduciary Fund:				
Payroll	2,808	161,769	164,539	38
Totals	\$ 618,499	\$ 966,831	\$ 876,845	\$ 708,485

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

TOWN OF GRANDVIEW
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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 GRANDVIEW
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.

Note 7. Subsequent Events

In 2007, the Grandview Wastewater Utility issued revenue bonds of \$433,000. Proceeds received after discount was \$424,340.

A Community Development Block Grant of \$500,000 has been awarded for the Grandview Wastewater Project.

The Grandview Wastewater Improvement Project began in 2007 to update the current system for a cost of \$805,600.

The Grandview Water Utility received a State Revolving Loan of \$196,400 for a water well project.

TOWN OF GRANDVIEW
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2006

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. There are no general infrastructure assets to include in this schedule.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 408,700
Buildings	547,010
Improvements other than buildings	5,156
Machinery and equipment	<u>464,765</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,425,631</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,500
Buildings	115,600
Improvements other than buildings	264,803
Machinery and equipment	<u>38,560</u>
 Total Water Utility capital assets	 <u>421,463</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	25,000
Construction in progress	86,285
Machinery and equipment	<u>1,045,504</u>
 Total Wastewater Utility capital assets	 <u>1,156,789</u>
 Gas Utility:	
Capital assets, not being depreciated:	
Land	10,000
Buildings	18,000
Improvements other than buildings	66,399
Machinery and equipment	<u>130,406</u>
 Total Gas Utility capital assets	 <u>224,805</u>
 Total business-type activities capital assets	 <u>\$ 1,803,057</u>

TOWN OF GRANDVIEW
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
2002 Refunding Revenue Bonds	195,000	20,000
2006 Revenue Bond Anticipation Note	<u>85,566</u>	<u>85,566</u>
 Total Wastewater Utility	 <u>280,566</u>	 <u>105,566</u>
 Total business-type activities long-term debt	 <u>\$ 280,566</u>	 <u>\$ 105,566</u>

TOWN OF GRANDVIEW
EXAMINATION RESULT AND COMMENT

OVERPAYMENT COLLECTIONS

Overpayments of salary of \$1,153.85 in 2005 and \$1,400.00 in 2006 were made to Town Manager, Randall Seneff. A schedule of payroll reductions has been set up to satisfy this overpayment.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF GRANDVIEW
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2007, with Donna Burrows, Clerk-Treasurer. The official concurred with our finding.

Separate phone exit conferences were held with Council members: Kevin Myers, Debbie Thomason, Georgia Holland and David Scherer.