

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

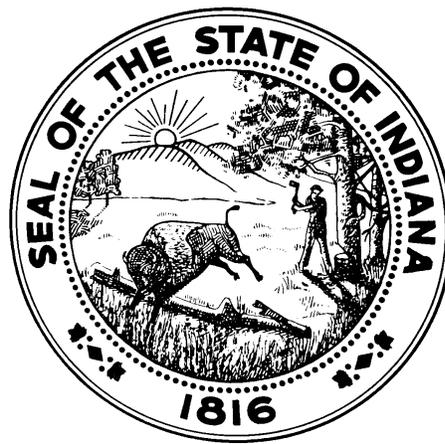
EXAMINATION REPORT

OF

TOWN OF GRABILL

ALLEN COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
03/31/2008



## 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 .....	4-5
Notes to Financial Information .....	6-7
Supplementary Information:	
Schedule of Capital Assets.....	8
Schedule of Long-Term Debt .....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Glenda A. Whittern Lew Lederman	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Town Council	Wilmer Delagrange	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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GRABILL, ALLEN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Grabill (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

February 20, 2008

TOWN OF GRABILL  
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	\$ 25,413	\$ 136,332	\$ 134,334	\$ 27,411
Motor Vehicle Highway	127,810	190,172	142,343	175,639
Local Road and Street	20,045	14,054	33,454	645
Park and Recreation	32,551	55,604	42,395	45,760
Donation - Harris Park	1,155	-	-	1,155
Donation - Brick Sidewalks	1,725	50	1,055	720
Cumulative Capital Improvement	6,369	3,976	1,500	8,845
County Economic Development Income Tax	59,408	93,687	125,379	27,716
Cumulative Building and Firefighting Equipment	29,898	6,858	-	36,756
Proprietary Funds:				
Water Utility - Operating	113,263	175,711	252,672	36,302
Water Utility - Bond and Interest	25,734	51,797	47,596	29,935
Water Utility - Depreciation	25,048	5,000	-	30,048
Water Utility - Customer Deposit	2,000	700	400	2,300
Water Utility - Debt Service Reserve	48,720	-	-	48,720
Water Utility - Cash Reserve	1,518	-	-	1,518
Wastewater Utility - Operating	58,984	306,926	240,717	125,193
Wastewater Utility - Depreciation	27,428	-	6,757	20,671
Fiduciary Fund:				
Payroll	-	80,133	80,133	-
Totals	<u>\$ 607,069</u>	<u>\$ 1,121,000</u>	<u>\$ 1,108,735</u>	<u>\$ 619,334</u>

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

TOWN OF GRABILL  
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 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 27,411	\$ 192,872	\$ 179,476	\$ 40,807
Motor Vehicle Highway	175,639	175,558	134,378	216,819
Local Road and Street	645	13,882	-	14,527
Park and Recreation	45,760	22,291	30,420	37,631
Rainy Day	-	439	-	439
Donation - Harris Park	1,155	625	-	1,780
Donation - Brick Sidewalks	720	-	-	720
Cumulative Capital Improvement	8,845	3,909	2,649	10,105
County Economic Development Income Tax	27,716	93,654	27,975	93,395
Cumulative Building and Firefighting Equipment	36,756	7,775	-	44,531
Proprietary Funds:				
Water Utility - Operating	36,302	186,515	182,726	40,091
Water Utility - Bond and Interest	29,935	48,045	37,873	40,107
Water Utility - Depreciation	30,048	-	-	30,048
Water Utility - Customer Deposit	2,300	960	1,359	1,901
Water Utility - Debt Service Reserve	48,720	3,289	-	52,009
Water Utility - Cash Reserve	1,518	-	-	1,518
Wastewater Utility - Operating	125,193	438,886	361,868	202,211
Wastewater Utility - Bond and Interest	-	98,169	40,106	58,063
Wastewater Utility - Depreciation	20,671	3,298	19,121	4,848
Wastewater Utility - Debt Service Reserve	-	26,386	-	26,386
Fiduciary Fund:				
Payroll	-	89,762	89,762	-
Totals	<u>\$ 619,334</u>	<u>\$ 1,406,315</u>	<u>\$ 1,107,713</u>	<u>\$ 917,936</u>

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

TOWN OF GRABILL  
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 GRABILL  
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 GRABILL  
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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 258,477
Buildings	259,803
Improvements other than buildings	197,575
Machinery and equipment	<u>178,802</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 894,657</u>
Business-type activities:	
Water Utility:	
Land	\$ 14,519
Buildings	276,314
Improvements other than buildings	1,896,581
Machinery and equipment	<u>116,492</u>
Total Water Utility capital assets	<u>2,303,906</u>
Wastewater Utility:	
Land	9,630
Construction in progress	995,523
Buildings	15,302
Improvements other than buildings	686,965
Machinery and equipment	<u>239,751</u>
Total Wastewater Utility capital assets	<u>1,947,171</u>
Total business-type activities capital assets	<u>\$ 4,251,077</u>

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

The Unitttype has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loan Payable:		
Grabill Bank	\$ 23,490	\$ 12,245
Water Utility Cash Reserve	<u>20,000</u>	<u>-</u>
Total governmental activities debt	<u>\$ 43,490</u>	<u>\$ 12,245</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
1988 Waterworks Revenue Bonds	\$ 5,900	\$ 6,404
State Revolving Fund Loan Payable 2000	<u>506,000</u>	<u>41,305</u>
Total Water Utility	<u>511,900</u>	<u>47,709</u>
Wastewater Utility		
Loan Payable:		
Water Utility Cash Reserve Fund (Mainstreet Lift Station)	52,426	-
State Revolving Fund Loan Payable 2006	<u>957,025</u>	<u>98,320</u>
Total Wastewater Utility	<u>1,009,451</u>	<u>98,320</u>
Total business-type activities debt	<u>\$ 1,521,351</u>	<u>\$ 146,029</u>

TOWN OF GRABILL  
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2008, with Glenda A. Whittern, former Clerk-Treasurer; and Lew Lederman, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.