

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

EXAMINATION REPORT
OF
TOWN OF MONROEVILLE
ALLEN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kevin Wenger	01-01-04 to 12-31-11
President of the Town Council	Donald Gerardot	01-01-06 to 12-31-08
Superintendent of Utilities	Larry Oberley	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

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

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

November 6, 2008

TOWN OF MONROEVILLE
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	\$ 169,345	\$ 268,587	\$ 263,630	\$ 174,302
Motor Vehicle Highway	54,446	57,782	33,805	78,423
Local Road and Street	5,950	14,761	14,173	6,538
Park and Recreation	1,142	26,414	27,466	90
Law Enforcement Continuing Education	3,145	845	1,239	2,751
Park and Recreation Donation	2,640	29,196	21,098	10,738
Sanitation	6,150	58,619	59,713	5,056
Debt Service	501,563	244,936	153,821	592,678
Cumulative Capital Improvement	134,101	4,610	-	138,711
CEDIT	564,213	115,532	55,166	624,579
Levy Excess	631	-	-	631
Proprietary Funds:				
Water Utility - Operating	17,618	116,547	128,199	5,966
Water Utility - Bond and Interest	188,834	65,286	61,371	192,749
Water Utility - Depreciation	44,013	14,149	1,175	56,987
Water Utility - Customer Deposit	15,605	595	245	15,955
Wastewater Utility - Operating	227,503	119,007	156,601	189,909
Wastewater Utility - Depreciation	54,597	12,035	-	66,632
Wastewater Utility - Customer Deposit	4,020	-	-	4,020
Fiduciary Fund:				
Park Deposit	700	2,475	2,350	825
Totals	<u>\$ 1,996,216</u>	<u>\$ 1,151,376</u>	<u>\$ 980,052</u>	<u>\$ 2,167,540</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 174,302	\$ 266,156	\$ 285,060	\$ 155,398
Motor Vehicle Highway	78,423	56,614	21,584	113,453
Local Road and Street	6,538	14,603	18,421	2,720
Park and Recreation	90	32,739	26,718	6,111
Law Enforcement Continuing Education	2,751	1,009	78	3,682
Park and Recreation Donation	10,738	24,737	26,988	8,487
Sanitation	5,056	67,194	67,851	4,399
Debt Service	592,678	279,819	97,687	774,810
Cumulative Capital Improvement	138,711	7,443	-	146,154
CEDIT	624,579	143,372	149,429	618,522
Levy Excess	631	-	-	631
Proprietary Funds:				
Water Utility - Operating	5,966	92,835	107,961	(9,160)
Water Utility - Bond and Interest	192,749	60,952	41,612	212,089
Water Utility - Depreciation	56,987	12,590	649	68,928
Water Utility - Customer Deposit	15,955	595	315	16,235
Wastewater Utility - Operating	189,909	108,493	142,689	155,713
Wastewater Utility - Depreciation	66,632	10,408	-	77,040
Wastewater Utility - Customer Deposit	4,020	-	-	4,020
Fiduciary Fund:				
Park Deposit	825	3,600	3,700	725
Totals	<u>\$ 2,167,540</u>	<u>\$ 1,183,159</u>	<u>\$ 990,742</u>	<u>\$ 2,359,957</u>

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

TOWN OF MONROEVILLE
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 MONROEVILLE
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 Event

The Town is currently preparing for a wastewater project to rehabilitate some of the sanitary sewer segments and manholes as well as construct a 600 foot storm water sewer. The total cost of the project is projected to be \$1,200,000 with funding coming from a federal grant of \$500,000 in Community Development Block Grant monies, \$400,000 in State Revolving Fund loan proceeds and a local match of \$300,000.

The Town is in the preliminary stage of the project. Grant applications have been approved. The Town is currently undergoing a Wastewater Utility rate study and bids have been sent out for contractors.

TOWN OF MONROEVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 12/31/2007

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 are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. 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.

There are only two new infrastructure items since 1980 which are for the industrial park road and parking lot and sidewalks for the park. These are shown as Improvements under Governmental Activities.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 42,000
Buildings	513,491
Improvements other than buildings	107,978
Machinery and equipment	<u>210,799</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 874,268</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 6,500
Buildings	9,110
Improvements other than buildings	1,868,302
Machinery and equipment	<u>58,542</u>
 Total Water Utility capital assets	 <u>1,942,454</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 68,482
Buildings	3,887
Improvements other than buildings	1,176,434
Machinery and equipment	<u>157,447</u>
 Total Wastewater Utility capital assets	 <u>1,406,250</u>
 Total business-type activities capital assets	 <u>\$ 3,348,704</u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Revenue bonds:		
1996 Redevelopment District Tax Incremental Finance Bonds		
Total governmental activities debt	<u>\$ 612,000</u>	<u>\$ 97,478</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
1976 Waterworks Expansion	189,000	26,450
1991 Waterworks Improvements	<u>50,000</u>	<u>15,125</u>
Total business-type activities debt:	<u>\$ 239,000</u>	<u>\$ 41,575</u>

TOWN OF MONROEVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2008, with Kevin Wenger, Clerk-Treasurer; and Donald Gerardot, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.