

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

EXAMINATION REPORT  
OF  
TOWN OF PLAINVILLE  
DAVISS COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
12/21/2009



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Angelia Shake

01-01-04 to 12-31-11

President of the  
Town Council

Lee Coffman

01-01-07 to 12-31-09



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PLAINVILLE, DAVIESS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Plainville (Town), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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

October 29, 2009

TOWN OF PLAINVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 82,354	\$ 80,209	\$ 60,432	\$ 102,131
Motor Vehicle Highway	33,739	32,639	20,460	45,918
Local Road and Street	833	2,475	-	3,308
Park and Recreation	61,522	3,388	2,226	62,684
Fire	19,937	17,425	9,234	28,128
Cumulative Capital Improvement	6,931	-	2,877	4,054
Cumulative Capital Development	23,838	3,285	-	27,123
Proprietary Funds:				
Wastewater Utility - Operating	4,640	116,260	114,446	6,454
Wastewater Utility - Bond and Interest	7,633	16,049	13,001	10,681
Wastewater Utility - Reserve	25,959	-	25,959	-
Totals	<u>\$ 267,386</u>	<u>\$ 271,730</u>	<u>\$ 248,635</u>	<u>\$ 290,481</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 102,131	\$ 61,696	\$ 75,128	\$ 88,699
Motor Vehicle Highway	45,918	21,891	29,504	38,305
Local Road and Street	3,308	2,339	-	5,647
Park and Recreation	62,684	4,988	5,425	62,247
Fire	28,128	20,785	25,694	23,219
Cumulative Capital Improvement	4,054	-	2,000	2,054
Cumulative Capital Development	27,123	2,009	1,611	27,521
Proprietary Funds:				
Wastewater Utility - Operating	6,454	99,470	102,519	3,405
Wastewater Utility - Bond and Interest	10,681	17	6,345	4,353
Totals	<u>\$ 290,481</u>	<u>\$ 213,195</u>	<u>\$ 248,226</u>	<u>\$ 255,450</u>

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

TOWN OF PLAINVILLE  
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, general administrative services, and wastewater 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

TOWN OF PLAINVILLE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Subsequent Event

The Wastewater Utility has obtained a \$500,000 federal grant for the renovation of the Wastewater treatment plant. On June 11, 2009, a contract for the renovations was entered into with Mitchell & Stark Construction for \$529,000. On January 14, 2009, the Town of Plainville borrowed \$225,000 from Peoples Bank, a division of German American Bancorp. The Wastewater Utility used the money to pay an outstanding loan with the balance of \$37,420.31. The remaining balance of \$187,579.69 is to be used to pay the Town's portion of the Wastewater renovations.

TOWN OF PLAINVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

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	\$ 175,000
Infrastructure	5,000
Buildings	150,000
Improvements other than buildings	35,000
Machinery and equipment	<u>114,500</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 479,500</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 10,000
Infrastructure	2,000,000
Buildings	<u>65,000</u>
 Total Wastewater Utility capital assets	 <u>\$ 2,075,000</u>

TOWN OF PLAINVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Wastewater Utility has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Notes and loans payable	\$ 39,829	\$ 25,221

TOWN OF PLAINVILLE  
EXAMINATION RESULT AND COMMENT

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims or invoices did not have evidence to support receipt of goods or services.
- (2) Claims were not certified by the Clerk-Treasurer verifying that the invoice or bill is true and correct.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF PLAINVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2009, with Angelia Shake, Clerk-Treasurer; and Lee Coffman, President of the Town Council. The officials concurred with our finding.