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

EXAMINATION REPORT
OF
TOWN OF CULVER
MARSHALL COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/07/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Casey L. Howard	01-01-08 to 12-31-11
President of the Town Council	Ralph Winters Sally Ricciardi	01-01-08 to 06-10-08 06-11-08 to 12-31-10



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 CULVER, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Culver (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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 8, 2010

TOWN OF CULVER
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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 520,316	\$ 1,233,275	\$ 994,624	\$ 758,967
Motor Vehicle Highway	21,332	382,636	291,220	112,748
Local Road and Street	28,553	10,910	10,000	29,463
Park and Recreation	83,412	217,592	227,547	73,457
Law Enforcement Continuing Education	7,356	1,395	897	7,854
Riverboat	51,233	11,273	20,959	41,547
Rainy Day	167,562	82,716	46,295	203,983
Tree Program	400	8,126	8,526	-
Nonreverting Fire	50,602	1,568	27,038	25,132
Nonreverting Park Gift	44,230	9,849	52,228	1,851
Nonreverting Police	544	720	-	1,264
Safety Seat	13	-	-	13
Nonreverting EMS	676	-	-	676
Levy Excess	-	2,939	-	2,939
Redevelopment	77,170	661,807	414,608	324,369
Cumulative Capital Improvement	10,904	5,524	-	16,428
Cumulative Capital Development	121,745	34,114	24,351	131,508
Proprietary Funds:				
Water Utility - Operating	96,746	254,344	320,101	30,989
Water Utility - Customer Deposit	7,830	700	585	7,945
Wastewater Utility - Operating	135,773	702,649	646,218	192,204
Wastewater Utility - Bond and Interest	347,812	241,666	338,666	250,812
Fiduciary Fund:				
Payroll	4,854	259,933	260,369	4,418
Totals	<u>\$ 1,779,063</u>	<u>\$ 4,123,736</u>	<u>\$ 3,684,232</u>	<u>\$ 2,218,567</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 758,967	\$ 1,100,037	\$ 1,040,554	\$ 818,450
Motor Vehicle Highway	112,748	446,975	307,885	251,838
Local Road and Street	29,463	9,097	17,020	21,540
Park and Recreation	73,457	223,620	234,774	62,303
Law Enforcement Continuing Education	7,854	22,675	3,500	27,029
Riverboat	41,547	10,429	-	51,976
Rainy Day	203,983	3,618	-	207,601
Tree Program	-	6,000	8,519	(2,519)
Nonreverting Fire	25,132	1,400	6,250	20,282
Nonreverting Park Gift	1,851	894	-	2,745
Nonreverting Police	1,264	988	100	2,152
Safety Seat	13	-	-	13
Nonreverting EMS	676	30,909	28,989	2,596
Levy Excess	2,939	-	-	2,939
Redevelopment	324,369	364,013	67,406	620,976
Cumulative Capital Improvement	16,428	5,118	-	21,546
Cumulative Capital Development	131,508	30,253	55,477	106,284
Proprietary Funds:				
Water Utility - Operating	30,989	273,506	257,034	47,461
Water Utility - Customer Deposit	7,945	610	600	7,955
Wastewater Utility - Operating	192,204	746,176	750,021	188,359
Wastewater Utility - Bond and Interest	250,812	417,996	364,658	304,150
Fiduciary Fund:				
Payroll	4,418	313,805	309,659	8,564
Totals	<u>\$ 2,218,567</u>	<u>\$ 4,008,119</u>	<u>\$ 3,452,446</u>	<u>\$ 2,774,240</u>

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

TOWN OF CULVER
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.

TOWN OF CULVER
NOTES TO FINANCIAL INFORMATION
(Continued)

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. 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 CULVER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As Of December 31, 2009

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.

Primary Government

Governmental activities:

Capital assets, not being depreciated:

Infrastructure	\$ 450,752
Buildings	233,512
Improvements other than buildings	339,869
Machinery and equipment	<u>2,189,517</u>

Total governmental activities, capital assets not being depreciated	<u>\$ 3,213,650</u>
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Primary Government

Business-type activities:

Water Utility:

Capital assets, not being depreciated:

Land	\$ 2,200
Buildings	160,866
Improvements other than buildings	1,544,931
Machinery and equipment	<u>326,901</u>

Total Water Utility capital assets	<u>2,034,898</u>
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Wastewater Utility:

Capital assets, not being depreciated:

Land	2,742
Buildings	1,028,040
Improvements other than buildings	4,443,603
Machinery and equipment	<u>690,912</u>

Total Wastewater Utility capital assets	<u>6,165,297</u>
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Total business-type activities capital assets	<u>\$ 8,200,195</u>
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TOWN OF CULVER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Vactor truck	\$ 154,693	\$ 55,347
Fire truck	18,174	19,119
Notes and loans payable:		
Loan for city piers	109,681	55,728
Bonds payable:		
Revenue bonds:		
2005 Redevelopment Tax Increment	555,000	55,531
2008 Redevelopment Tax Increment	<u>350,000</u>	<u>15,750</u>
 Total governmental activities debt	 <u>\$ 1,187,548</u>	 <u>\$ 201,475</u>
 Business-type activities:		
Wastewater Utility:		
State revolving loan payable:		
Loan of 2005	\$ 2,313,000	\$ 185,295
Revenue bonds:		
1998 Sewage Works Refunding	<u>1,025,000</u>	<u>115,975</u>
 Total Wastewater Utility	 <u>3,338,000</u>	 <u>301,270</u>
 Total business-type activities debt	 <u>\$ 3,338,000</u>	 <u>\$ 301,270</u>

TOWN OF CULVER
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2010, with Casey L. Howard, Clerk-Treasurer; and Sally Ricciardi, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.