

B37704

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

EXAMINATION REPORT
OF
TOWN OF GREENVILLE
FLOYD COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
10/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jack Travillian	01-01-04 to 12-31-11
President of the Town Council	Talbotte Richardson	01-01-07 to 12-31-10
Superintendent of the Water Utility	Gary W. Getrost	01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GREENVILLE, FLOYD COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Greenville (Town), for the period of January 1, 2007 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, 2007, 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 Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 12, 2010

TOWN OF GREENVILLE
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, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 12,959	\$ 48,273	\$ 51,758	\$ 9,474
Motor Vehicle Highway	113,920	23,125	8,667	128,378
Local Road and Street	65,082	9,065	41,538	32,609
Law Enforcement Continuing Education	912	-	-	912
Riverboat	10,187	4,156	10,736	3,607
Cumulative Capital Improvement	(608)	4,076	-	3,468
Economic Development Income Tax	36,198	3,822	-	40,020
Proprietary Funds:				
Water Utility - Operating	1,093,245	815,084	745,506	1,162,823
Water Utility - Bond and Interest	13,368	20,410	20,650	13,128
Water Utility - Reserve	15,000	-	-	15,000
Water Utility - Customer Deposit	47,065	4,527	2,942	48,650
Totals	\$ 1,407,328	\$ 932,538	\$ 881,797	\$ 1,458,069
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 9,474	\$ 85,607	\$ 71,874	\$ 23,207
Motor Vehicle Highway	128,378	49,704	135,037	43,045
Local Road and Street	32,609	8,836	14,974	26,471
Law Enforcement Continuing Education	912	-	-	912
Riverboat	3,607	3,707	5,700	1,614
Rainy Day	-	657	650	7
Cumulative Capital Improvement	3,468	1,922	-	5,390
Economic Development Income Tax	40,020	4,210	30,000	14,230
Proprietary Funds:				
Water Utility - Operating	1,162,823	784,897	753,193	1,194,527
Water Utility - Bond and Interest	13,128	20,398	20,100	13,426
Water Utility - Reserve	15,000	-	-	15,000
Water Utility - Customer Deposit	48,650	3,427	2,647	49,430
Totals	\$ 1,458,069	\$ 963,365	\$ 1,034,175	\$ 1,387,259
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 23,207	\$ 55,099	\$ 72,107	\$ 6,199
Motor Vehicle Highway	43,045	20,876	23,385	40,536
Local Road and Street	26,471	48,110	60,538	14,043
Law Enforcement Continuing Education	912	170	989	93
Riverboat	1,614	3,699	-	5,313
Rainy Day	7	3,480	-	3,487
Donations	-	570	570	-
Cumulative Capital Improvement	5,390	1,812	1,740	5,462
Economic Development Income Tax	14,230	2,428	6,214	10,444
Proprietary Funds:				
Water Utility - Operating	1,194,527	776,488	960,314	1,010,701
Water Utility - Bond and Interest	13,426	20,473	20,550	13,349
Water Utility - Reserve	15,000	-	-	15,000
Water Utility - Special Projects	-	200,596	32	200,564
Water Utility - Customer Deposit	49,430	4,551	3,418	50,563
Totals	\$ 1,387,259	\$ 1,138,352	\$ 1,149,857	\$ 1,375,754

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

TOWN OF GREENVILLE
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, highways and streets, public improvements, general administrative services, and water utility 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.

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 Town has approved a contract to perform a preliminary engineering report to determine funding sources available for the replacement of a 100,000 gallon water storage tower with a 400,000 gallon water storage tower. The project is estimated to cost \$1,077,250.

TOWN OF GREENVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue Bonds:		
1980 Water construction	\$ 159,000	\$ 20,950

TOWN OF GREENVILLE
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior report, were again present during our period of examination:

- (1) Record balances were not reconciled to depository balances during the three year period. The Clerk-Treasurer failed to compare the reconciled bank balances to the official records of the Town and investigate any variances. As reported by the Clerk-Treasurer, the depository balances exceeded the record balances by \$4,290.65.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

- (2) There were a considerable number of posting errors.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger. Monthly reconcilements are not being performed and printouts were not available to determine the variance at December 31, 2009. At July 31, 2010, the detailed customer deposit register is reporting \$1,596.19 more than what is shown on the ledger.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF GREENVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Jack Travillian, Clerk-Treasurer; Talbotte Richardson, President of the Town Council; Randal Johnes, Town Council member; Gary W. Getrost, Superintendent of the Water Utility; and Amy Stone, Utility Office Manager. The officials concurred with our findings.