

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

EXAMINATION REPORT
OF
TOWN OF GRANDVIEW
SPENCER COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
11/18/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donna Burrows Deborah K. Richard	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Town Council	Mark Wilson Debra Barrett David Scherer	01-01-07 to 12-31-07 01-01-08 to 12-31-09 01-01-10 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 GRANDVIEW, SPENCER COUNTY, INDIANA

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

September 20, 2010

TOWN OF GRANDVIEW
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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 228,748	\$ 102,220	\$ 64,556	\$ 266,412
Motor Vehicle Highway	97,325	36,650	20,210	113,765
Local Road and Street	15,887	3,914	-	19,801
Park and Recreation - Donation	721	3,540	2,942	1,319
Cemetery	4,474	2,900	537	6,837
Cumulative Capital Improvement	10,517	2,444	3,191	9,770
CEDIT	93,329	21,439	16,280	98,488
Town Marshal	238	-	-	238
Cemetery Donation	50	310	-	360
Founder's Day	490	9,380	9,870	-
Fire Department Grant	331	2,089	2,420	-
Park Grant	-	534,700	534,700	-
2007 DHS Grant	-	3,500	3,500	-
River Fest 2008	-	607	-	607
Proprietary Funds:				
Water Utility - Operating	129,223	153,838	139,666	143,395
Water Utility - Customer Deposit	14,499	3,400	3,070	14,829
Water Utility - Debt Service	-	215,232	211,304	3,928
Water Utility - Construction	-	100,000	13,256	86,744
Water Utility - Bond and Interest	-	26,512	26,512	-
Wastewater Utility - Operating	28,773	161,849	160,925	29,697
Wastewater Utility - Bond and Interest	-	34,575	34,575	-
Wastewater Utility - Depreciation	10,191	-	-	10,191
Wastewater Utility - Debt Service	28,400	5,018	-	33,418
Wastewater Utility - Construction	-	424,340	359,130	65,210
Gas Utility - Operating	35,689	226,628	183,930	78,387
Gas Utility - Customer Deposit	9,562	2,000	1,930	9,632
Fiduciary Fund:				
Payroll	38	212,171	212,171	38
Totals	<u>\$ 708,485</u>	<u>\$ 2,289,256</u>	<u>\$ 2,004,675</u>	<u>\$ 993,066</u>

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

TOWN OF GRANDVIEW
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, 2007, 2008, And 2009
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 266,412	\$ 119,892	\$ 68,852	\$ 317,452
Motor Vehicle Highway	113,765	33,970	32,892	114,843
Local Road and Street	19,801	3,733	1,400	22,134
Park and Recreation - Donation	1,319	711	1,400	630
Cemetery	6,837	1,300	550	7,587
Cumulative Capital Improvement	9,770	2,263	2,000	10,033
CEDIT	98,488	16,760	4,164	111,084
Town Marshal	238	-	-	238
Cemetery Donation	360	-	25	335
Park Grant	-	3,152	3,089	63
2007 DHS Grant	-	32,676	32,676	-
Spencer County Foundation Donation	-	1,903	1,903	-
River Fest 2008	607	175	768	14
Rainy Day	-	1,887	-	1,887
Proprietary Funds:				
Water Utility - Operating	143,395	202,867	164,740	181,522
Water Utility - Customer Deposit	14,829	4,650	3,747	15,732
Water Utility - Debt Service	3,928	-	-	3,928
Water Utility - Construction	86,744	-	13,735	73,009
Water Utility - Bond and Interest	-	29,881	29,881	-
Wastewater Utility - Operating	29,697	176,698	164,349	42,046
Wastewater Utility - Bond and Interest	-	55,167	55,167	-
Wastewater Utility - Depreciation	10,191	-	-	10,191
Wastewater Utility - Debt Service	33,418	5,475	-	38,893
Wastewater Utility - Construction	65,210	-	10,272	54,938
Gas Utility - Operating	78,387	280,972	202,032	157,327
Gas Utility - Customer Deposit	9,632	2,500	1,759	10,373
Fiduciary Fund:				
Payroll	38	186,355	180,928	5,465
Totals	<u>\$ 993,066</u>	<u>\$ 1,162,987</u>	<u>\$ 976,329</u>	<u>\$ 1,179,724</u>

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

TOWN OF GRANDVIEW
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, 2007, 2008, And 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 317,452	\$ 106,902	\$ 70,740	\$ 353,614
Motor Vehicle Highway	114,843	30,501	26,502	118,842
Local Road and Street	22,134	3,536	5,900	19,770
Park and Recreation - Donation	630	100	76	654
Cemetery	7,587	2,250	1,375	8,462
Cumulative Capital Improvement	10,033	2,134	1,609	10,558
CEDIT	111,084	15,981	5,000	122,065
Town Marshal	238	-	-	238
Cemetery Donation	335	325	660	-
FEMA	-	3,011	-	3,011
Park Grant	63	2,800	2,863	-
River Fest 2008	14	-	-	14
Rainy Day	1,887	1,754	-	3,641
Proprietary Funds:				
Water Utility - Operating	181,522	182,522	134,477	229,567
Water Utility - Customer Deposit	15,732	2,725	2,588	15,869
Water Utility - Debt Service	3,928	-	-	3,928
Water Utility - Construction	73,009	-	13,493	59,516
Wastewater Utility - Operating	42,046	166,589	161,635	47,000
Wastewater Utility - Bond and Interest	-	54,776	54,776	-
Wastewater Utility - Depreciation	10,191	-	-	10,191
Wastewater Utility - Debt Service	38,893	5,475	-	44,368
Wastewater Utility - Construction	54,938	-	-	54,938
Gas Utility - Operating	157,327	231,153	188,764	199,716
Gas Utility - Customer Deposit	10,373	1,575	1,675	10,273
Fiduciary Fund:				
Payroll	5,465	164,807	167,468	2,804
Totals	<u>\$ 1,179,724</u>	<u>\$ 978,916</u>	<u>\$ 839,601</u>	<u>\$ 1,319,039</u>

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

TOWN OF GRANDVIEW
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, water, wastewater, gas 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.

TOWN OF GRANDVIEW
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 GRANDVIEW
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 558,700
Buildings	547,010
Improvements other than buildings	15,487
Machinery and equipment	<u>509,443</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,630,640</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,500
Buildings	115,600
Improvements other than buildings	484,822
Machinery and equipment	<u>38,540</u>
Total Water Utility capital assets	<u>641,462</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	25,000
Buildings	-
Improvements other than buildings	1,514,737
Machinery and equipment	<u>325</u>
Total Wastewater Utility capital assets	<u>1,540,062</u>
Gas Utility:	
Capital assets, not being depreciated:	
Land	10,000
Buildings	18,000
Improvements other than buildings	66,399
Machinery and equipment	<u>130,731</u>
Total Gas Utility capital assets	<u>225,130</u>
Total business-type activities capital assets	<u>\$ 2,406,654</u>

TOWN OF GRANDVIEW
 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
Governmental activities:		
Loans payable	\$ 68,230	\$ 8,856
Business-type activities:		
Water Utility:		
Revenue bonds:		
2008 Water Revenue	\$ 161,000	\$ 22,104
Wastewater Utility:		
Revenue bonds:		
2002 Wastewater Refunding	132,000	3,663
2008 Wastewater Revenue	418,000	9,502
Total Wastewater Utility	550,000	13,165
Total business-type activities debt	\$ 711,000	\$ 35,269

TOWN OF GRANDVIEW
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2010, with Deborah K. Richard, Clerk-Treasurer, and David Scherer, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.