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

EXAMINATION REPORT
OF
TOWN OF VEEDERSBURG
FOUNTAIN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/14/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Laura Bennett
Keri Lynn Grubb

01-01-08 to 05-04-10
05-05-10 to 12-31-11

President of the Town Council

Keith K. Smith

01-01-08 to 12-31-10



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 VEEDERSBURG, FOUNTAIN COUNTY, INDIANA

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

September 23, 2010

TOWN OF VEEDERSBURG
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	\$ 82,351	\$ 293,225	\$ 282,222	\$ 93,354
Motor Vehicle Highway	42,080	132,790	127,430	47,440
Local Road and Street	859	9,689	10,030	518
Garbage Pick-Up	35,153	108,679	117,021	26,811
Energy Assistance	4,084	27,851	22,903	9,032
Law Enforcement Continuing Education	268	897	315	850
Redevelopment Commission	1,171,001	320,934	246,865	1,245,070
Swimming Pool	40,012	20,813	24,814	36,011
Park Program	-	11,132	11,132	-
Riverboat Fund	29,212	14,824	-	44,036
Rainy Day	8,323	10,145	-	18,468
Cumulative Capital Improvement	4,277	7,476	11,339	414
Cumulative Building and Fire Fighting Equipment	11,781	5,748	11,656	5,873
Lease Rental Payments	15,878	23,159	33,000	6,037
Redevelopment Authority	277,919	193,060	279,389	191,590
Proprietary Funds:				
Water Utility - Operating	317,016	463,954	473,782	307,188
Water Utility - Bond and Interest	109,916	126,525	74,876	161,565
Water Utility - Depreciation	170,050	45,539	11,450	204,139
Water Utility - Customer Deposit	18,063	7,750	7,140	18,673
Wastewater Utility - Operating	191,130	774,164	785,502	179,792
Wastewater Utility - Bond and Interest	233,906	427,368	343,615	317,659
Wastewater Utility - Construction	197,120	2,843	188,981	10,982
Wastewater Utility - Escrow	89,316	722	81,899	8,139
Electric Utility - Operating	1,217,976	3,990,272	3,901,688	1,306,560
Electric Utility - Depreciation	678,911	131,099	28,692	781,318
Electric Utility - Bond and Interest	102,504	79,357	77,463	104,398
Electric Utility - Reserve	100,000	-	-	100,000
Electric Utility - Customer Deposit	48,751	24,900	20,444	53,207
Fiduciary Fund:				
Payroll	-	660,960	660,960	-
Totals	<u>\$ 5,197,857</u>	<u>\$ 7,915,875</u>	<u>\$ 7,834,608</u>	<u>\$ 5,279,124</u>

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

TOWN OF VEEDERSBURG
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
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 93,354	\$ 364,590	\$ 247,079	\$ 210,865
Motor Vehicle Highway	47,440	186,336	50,846	182,930
Local Road and Street	518	9,190	-	9,708
Garbage Pick-Up	26,811	151,630	114,634	63,807
Energy Assistance	9,032	27,949	30,797	6,184
Law Enforcement Continuing Education	850	1,641	1,099	1,392
Redevelopment Commission	1,245,070	791,317	264,621	1,771,766
Swimming Pool	36,011	46,100	26,805	55,306
Riverboat Fund	44,036	14,387	-	58,423
Rainy Day	18,468	7,609	-	26,077
Cumulative Capital Improvement	414	7,050	-	7,464
Cumulative Building and Fire Fighting Equipment	5,873	11,459	11,655	5,677
Lease Rental Payments	6,037	44,760	31,800	18,997
Redevelopment Authority	191,590	128,106	121,631	198,065
Proprietary Funds:				
Water Utility - Operating	307,188	426,998	439,343	294,843
Water Utility - Bond and Interest	161,565	125,247	78,135	208,677
Water Utility - Depreciation	204,139	38,745	47,569	195,315
Water Utility - Customer Deposit	18,673	7,050	5,320	20,403
Wastewater Utility - Operating	179,792	721,743	685,319	216,216
Wastewater Utility - Bond and Interest	317,659	379,104	345,164	351,599
Wastewater Utility - Construction	10,982	16	10,998	-
Wastewater Utility - Escrow	8,139	19	8,158	-
Electric Utility - Operating	1,306,560	3,654,456	3,332,778	1,628,238
Electric Utility - Depreciation	781,318	107,961	7,320	881,959
Electric Utility - Bond and Interest	104,398	82,033	74,363	112,068
Electric Utility - Reserve	100,000	-	-	100,000
Electric Utility - Customer Deposit	53,207	23,200	15,700	60,707
Fiduciary Fund:				
Payroll	-	677,562	677,562	-
Totals	<u>\$ 5,279,124</u>	<u>\$ 8,036,258</u>	<u>\$ 6,628,696</u>	<u>\$ 6,686,686</u>

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

TOWN OF VEEDERSBURG
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, culture and recreation, electric, water, wastewater 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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. Installments for 2008 were due November 10, 2008, and January 12, 2009.

TOWN OF VEEDERSBURG
NOTES TO FINANCIAL INFORMATION
(Continued)

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

On July 20, 2010, the Town was awarded a Community Development Block Grant from the Disaster Recovery Fund in the amount of \$965,125 for storm water management. The unit's matching requirement will be \$3,000 and the project must be completed by February 28, 2012.

On March 24, 2010, the Town was awarded a Community Development Block Grant in the amount of \$29,700 for the planning of a downtown revitalization project focusing on the repair and replacement of sidewalks. The unit's matching requirement will be \$3,300.

On June 22, 2010, the Town Council approved the purchase of a line truck for the Electric Utility. The truck will cost \$97,860 plus trade-in of the old truck and will be delivered in September.

TOWN OF VEEDERSBURG
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year ended Decemeber 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	\$ 444,000
Buildings	826,645
Improvements other than buildings	174,199
Machinery and equipment	<u>228,593</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,673,437</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 7,440
Buildings	7,676
Improvements other than buildings	1,212,204
Machinery and equipment	<u>74,922</u>
 Total Water Utility capital assets	 <u>1,302,242</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	35,053
Buildings	935,594
Improvements other than buildings	4,533,090
Machinery and equipment	<u>164,531</u>
 Total Wastewater Utility capital assets	 <u>5,668,268</u>
 Electric Utility:	
Capital assets, not being depreciated:	
Land	35,626
Buildings	33,479
Improvements other than buildings	1,877,937
Machinery and equipment	<u>600,632</u>
 Total Electric Utility capital assets	 <u>2,547,674</u>
 Total business-type activities capital assets	 <u>\$ 9,518,184</u>

TOWN OF VEEDERSBURG
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:		
Capital leases:		
Town Hall	\$ 255,556	\$ 17,100
Notes and loans payable	27,183	11,656
Bonds payable:		
General obligation bonds:		
Redevelopment Authority 1997 Water Improvements	<u>475,000</u>	<u>75,412</u>
Total governmental activities debt	<u>\$ 757,739</u>	<u>\$ 104,168</u>
Business-type activities:		
Water Utility:		
Capital leases:		
1997 Water Project	\$ 444,662	\$ 39,000
Revenue bonds:		
Pool Program, Series 1997A	<u>660,000</u>	<u>76,068</u>
Total Water Utility	<u>1,104,662</u>	<u>115,068</u>
Wastewater Utility:		
Revenue bonds:		
Refunding 1997, Series 2004	1,295,000	147,875
Refunding 1992, Series 2001	430,000	100,229
2006 Project, Series 2006	<u>855,000</u>	<u>96,895</u>
Total Wastewater Utility	<u>2,580,000</u>	<u>344,999</u>
Electric Utility:		
Revenue bonds:		
1995 Improvements Issue	<u>325,000</u>	<u>65,606</u>
Total Electric Utility	<u>325,000</u>	<u>65,606</u>
Total business-type activities debt	<u>\$ 4,009,662</u>	<u>\$ 525,673</u>

TOWN OF VEEDERSBURG
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2010, with Keri Lynn Grubb, Clerk-Treasurer; Laura Bennett, former Clerk-Treasurer; and Keith K. Smith, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.