

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

EXAMINATION REPORT  
OF  
TOWN OF SOMERVILLE  
GIBSON COUNTY, INDIANA  
January 1, 2008 to December 31, 2010



**FILED**  
02/08/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary A. Dyer	01-01-08 to 12-31-11
President of the Town Council	Bill Hutchinson	01-01-08 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SOMERVILLE, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Somerville (Town), for the period of January 1, 2008 to December 31, 2010. 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, 2009, and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, 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

January 19, 2011

TOWN OF SOMERVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2008, 2009, And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 515	\$ 3,715	\$ 3,001	\$ 1,229
Motor Vehicle Highway	12,503	60,649	65,147	8,005
Local Road and Street	1,012	2,565	3,081	496
Major Moves Construction	4,260	-	4,260	-
Riverboat	2,328	-	-	2,328
Fire Grant	12,379	279	1,984	10,674
Cumulative Capital Improvement	580	1,215	-	1,795
Economic Development Income Tax	697	383	910	170
Totals	<u>\$ 34,274</u>	<u>\$ 68,806</u>	<u>\$ 78,383</u>	<u>\$ 24,697</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 1,229	\$ 3,219	\$ 3,086	\$ 1,362
Motor Vehicle Highway	8,005	10,896	13,417	5,484
Local Road and Street	496	1,761	1,451	806
Riverboat	2,328	3,910	2,248	3,990
Fire Grant	10,674	-	-	10,674
Cumulative Capital Improvement	1,795	957	2,265	487
Economic Development Income Tax	170	365	362	173
Totals	<u>\$ 24,697</u>	<u>\$ 21,108</u>	<u>\$ 22,829</u>	<u>\$ 22,976</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 1,362	\$ 3,910	\$ 3,525	\$ 1,747
Motor Vehicle Highway	5,484	12,477	11,578	6,383
Local Road and Street	806	1,793	1,571	1,028
Riverboat	3,990	1,952	-	5,942
Fire Grant	10,674	20,000	3,032	27,642
Cumulative Capital Improvement	487	913	925	475
Economic Development Income Tax	173	347	431	89
Totals	<u>\$ 22,976</u>	<u>\$ 41,392</u>	<u>\$ 21,062</u>	<u>\$ 43,306</u>

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

TOWN OF SOMERVILLE  
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: highways, streets, 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.

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.

TOWN OF SOMERVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2010

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	\$ 5,500
Buildings	<u>332,526</u>
Total capital assets, not being depreciated	<u>\$ 338,026</u>

TOWN OF SOMERVILLE  
EXIT CONFERENCE

The contents of this report were discussed on January 19, 2011, with Mary A. Dyer, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.