

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

ANNUAL FINANCIAL REPORT

2010

TOWN OF GRIFFITH

LAKE COUNTY, INDIANA



**FILED**  
06/15/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Financial Statement(s): Statement(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	8
Notes to Financial Statement(s).....	9-14
Supplementary Information: Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	16-25
Schedule of Capital Assets.....	26
Schedule of Long-Term Debt .....	27
Audit Result(s) and Comment(s): Receipt Composition – Building Department.....	28
Rock 'N' Rail Street Festival .....	28
Claim Deficiencies .....	28-29
Senior Center.....	29
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	32-33
Schedule of Expenditures of Federal Awards .....	34
Note(s) to Schedule of Expenditures of Federal Awards .....	35
Schedule of Findings and Questioned Costs .....	36
Audittee Prepared Schedule(s): Summary Schedule of Prior Audit Findings .....	37
Exit Conference.....	38

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ronald J. Szafarczyk	01-01-08 to 12-31-11
President of the Town Council	George Jerome	01-01-10 to 12-31-11
President of the Board of Sanitary Commissioners	Clark Swartz	01-01-10 to 12-31-11
President of the Storm Water Management Board	Patrick Janke	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF GRIFFITH, LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of the Town of Griffith (Town), for the year ended December 31, 2010. This financial statement is the responsibility of the Town's management. Our responsibility is to express opinions on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 13, 2011, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, Sanitary District Board, Stormwater Management Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 13, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF GRIFFITH, LAKE COUNTY, INDIANA

We have audited the financial statement of the Town of Griffith (Town), for the year ended December 31, 2010, and have issued our report thereon dated April 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

This report is intended solely for the information and use of the Town's management, Town Council, Sanitary District Board, Stormwater Management Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 13, 2011

FINANCIAL STATEMENT(S)

TOWN OF GRIFFITH  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 206,723	\$ 7,178,589	\$ 7,364,634	\$ 20,678
Motor Vehicle Highway	24,424	833,379	831,578	26,225
Local Road And Street	198,426	232,512	177,587	253,351
2% Engineer Review Fee	16,158	-	320	15,838
Vandalism Reward	500	-	-	500
Downtown Revitalization	13,417	53,409	40,602	26,224
Law Enforcement Continuing Ed	35,032	18,887	6,755	47,164
Infraction Deferral	4,670	74,347	76,815	2,202
Unsafe Building Nonreverting	22,800	11,589	288	34,101
Casino Gaming	214,809	769,874	939,351	45,332
Park And Recreation	9,280	260,332	269,528	84
Fire Department Donation Equipment	72,884	14,851	35,323	52,412
Park Capital Donation	5,764	-	-	5,764
Police Donation	11,030	3,740	7,724	7,046
Recycling Grant	145,747	111,462	148,122	109,087
CN RR Mitigation	981,529	2,826,526	238,300	3,569,755
Vest Donation	827	900	1,063	664
Senior Citizen Donation	2,565	14,193	12,645	4,113
Redevelopment Brochure Donation	500	-	-	500
OJP Technology Grant	13,198	125,000	138,198	-
Rainy Day Fund	250,000	-	-	250,000
Building Escrow	18,000	5,000	3,950	19,050
Petsmart Grant 2008	569	-	-	569
Federal Asset Forfeiture	42,949	23,862	16,306	50,505
Levy Excess Fund	-	16,660	-	16,660
Asset Forfeiture Nonreverting	270	652	685	237
TIF District Mall	8,249	127,360	89,819	45,790
Swat Donation	-	537	-	537
Explorer Donation	-	1,000	-	1,000
Moving Violations Bureau	637	16,479	16,740	376
Innkeeper Hotel Tax	5,465	4,725	3,742	6,448
Excess Welfare Distribution	-	102,014	-	102,014
GO Bond 2009 Sinking	28,994	40,352	63,484	5,862
Sanitary District Sinking	2,598	399,579	402,158	19
Storm Water Sinking	112,342	521,133	629,286	4,189
Corp Bond/Lease	582	171,256	161,440	10,398
GO Bond 2010 Sinking	-	793	-	793
Park District Sinking	-	113,004	106,030	6,974
Cumulative Capital Improvement	126,796	54,063	48,647	132,212
Redevelopment Nonreverting	65,105	124,586	91,278	98,413
Nonreverting Police Equipment	9,748	12,056	9,724	12,080
Stormwater Army Corps Surplus	5,276	-	5,276	-
Cumulative Building And Equipment	436,612	134,372	177,313	393,671
Stormwater District Proceeds	91,262	119	91,381	-
General Improvement	102,466	-	-	102,466
GO 2010 Bond Proceeds	-	1,995,000	1,815,139	179,861
GO 2009 Bond Proceeds	780,348	-	705,353	74,995
Fuel Fund Interlocal	1,484	76,205	61,607	16,082
Payroll Self Insurance	402,085	1,225,292	1,225,114	402,263
Gun Range Interlocal	846	50,012	40,686	10,172
Health Benefit Claims	-	691,004	575,009	115,995
Police Officers' Pension	316,673	456,478	450,818	322,333
Police Perf	142	394,409	394,488	63
Payroll	-	5,090,397	5,090,397	-
Sewer Consumer Deposit	93,544	7,225	5,175	95,594
Sewer Utility Replacement	177,621	-	177,621	-
Sewer Utility Capital	(12,215)	39,000	18,900	7,885
Sewer Utility Operating	(360,627)	2,627,230	2,163,105	103,498
Storm Utility Capital	1,038,664	594,801	1,623,443	10,022
Storm Utility Operating	301,171	345,575	585,677	61,069
Water Consumer Deposits	98,205	7,375	5,450	100,130
Water Utility Debt Reserve	406,998	-	-	406,998
Water Utility Improvement	132,671	375,936	305,922	202,685
Water Utility 2010 Loan	-	15,000	-	-
Water Utility Operating	252,199	1,359,528	1,431,963	179,764
Water Utility Sinking	71,386	396,000	403,155	64,231
<b>Totals</b>	<b>\$ 6,989,398</b>	<b>\$ 30,145,659</b>	<b>\$ 29,300,114</b>	<b>\$ 7,834,943</b>

The notes to the financial statement(s) are an integral part of this statement.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Council-Mayor Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

**Note 6. Pension Plan(s)**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

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.

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

*C. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

PERF 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*

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF.

**Note 7. Subsequent Event – Federal Grant Award**

The Towns of Griffith, Highland, Munster, and Dyer were awarded a federal grant on March 4, 2011, from the Assistance to Firefighters Grant Program – Operations and Safety. The grant will be used to install an adapter on every fire hydrant in the four communities to accept the five inch water supply hose that is carried on all of the fire apparatus. The total project is \$838,000 with \$670,400 federal (80%). The Town of Griffith will administer the grant.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of Griffith's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road And Street	2% Engineer Review Fee	Vandalism Reward	Downtown Revitalization	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 206,723	\$ 24,424	\$ 198,426	\$ 16,158	\$ 500	\$ 13,417	\$ 35,032
Receipts:							
Taxes	3,621,963	324,059	-	-	-	-	-
Licenses and permits	192,306	-	-	-	-	-	6,665
Intergovernmental	368,771	492,683	232,365	-	-	-	-
Charges for services	1,001,297	10,569	-	-	-	17,902	7,625
Fines and forfeits	109,538	-	-	-	-	-	4,595
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,884,714	6,068	147	-	-	35,507	2
Total receipts	<u>7,178,589</u>	<u>833,379</u>	<u>232,512</u>	<u>-</u>	<u>-</u>	<u>53,409</u>	<u>18,887</u>
Disbursements:							
Personal services	4,068,891	450,876	-	-	-	-	-
Supplies	257,096	157,002	52,485	-	-	17,383	-
Other services and charges	1,817,474	223,387	8,000	320	-	23,219	6,755
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	146,173	313	117,102	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,075,000	-	-	-	-	-	-
Total disbursements	<u>7,364,634</u>	<u>831,578</u>	<u>177,587</u>	<u>320</u>	<u>-</u>	<u>40,602</u>	<u>6,755</u>
Excess (deficiency) of receipts over disbursements	<u>(186,045)</u>	<u>1,801</u>	<u>54,925</u>	<u>(320)</u>	<u>-</u>	<u>12,807</u>	<u>12,132</u>
Cash and investments - ending	<u>\$ 20,678</u>	<u>\$ 26,225</u>	<u>\$ 253,351</u>	<u>\$ 15,838</u>	<u>\$ 500</u>	<u>\$ 26,224</u>	<u>\$ 47,164</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Infraction Deferral	Unsafe Building Nonreverting	Casino Gaming	Park And Recreation	Fire Department Donation Equipment	Park Capital Donation	Police Donation
Cash and investments - beginning	\$ 4,670	\$ 22,800	\$ 214,809	\$ 9,280	\$ 72,884	\$ 5,764	\$ 11,030
Receipts:							
Taxes	-	-	-	143,015	-	-	-
Licenses and permits	-	11,589	-	-	-	-	-
Intergovernmental	-	-	761,528	12,480	4,000	-	-
Charges for services	-	-	-	30,678	-	-	-
Fines and forfeits	74,347	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	8,346	74,159	10,851	-	3,740
Total receipts	<u>74,347</u>	<u>11,589</u>	<u>769,874</u>	<u>260,332</u>	<u>14,851</u>	<u>-</u>	<u>3,740</u>
Disbursements:							
Personal services	-	-	-	120,348	-	-	-
Supplies	-	-	-	21,445	2,839	-	7,724
Other services and charges	-	288	641,156	65,011	590	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	5,395	17,724	31,894	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	76,815	-	292,800	45,000	-	-	-
Total disbursements	<u>76,815</u>	<u>288</u>	<u>939,351</u>	<u>269,528</u>	<u>35,323</u>	<u>-</u>	<u>7,724</u>
Excess (deficiency) of receipts over disbursements	<u>(2,468)</u>	<u>11,301</u>	<u>(169,477)</u>	<u>(9,196)</u>	<u>(20,472)</u>	<u>-</u>	<u>(3,984)</u>
Cash and investments - ending	<u>\$ 2,202</u>	<u>\$ 34,101</u>	<u>\$ 45,332</u>	<u>\$ 84</u>	<u>\$ 52,412</u>	<u>\$ 5,764</u>	<u>\$ 7,046</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Recycling Grant	CN RR Mitigation	Vest Donation	Senior Citizen Donation	Redevelopment Brochure Donation	OJP Technology Grant	Rainy Day Fund
Cash and investments - beginning	\$ 145,747	\$ 981,529	\$ 827	\$ 2,565	\$ 500	\$ 13,198	\$ 250,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	111,348	-	-	-	-	125,000	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	114	2,826,526	900	14,193	-	-	-
Total receipts	<u>111,462</u>	<u>2,826,526</u>	<u>900</u>	<u>14,193</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	450	12,645	-	-	-
Other services and charges	1,085	8,993	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	147,037	214,307	613	-	-	138,198	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	15,000	-	-	-	-	-
Total disbursements	<u>148,122</u>	<u>238,300</u>	<u>1,063</u>	<u>12,645</u>	<u>-</u>	<u>138,198</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(36,660)</u>	<u>2,588,226</u>	<u>(163)</u>	<u>1,548</u>	<u>-</u>	<u>(13,198)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 109,087</u>	<u>\$ 3,569,755</u>	<u>\$ 664</u>	<u>\$ 4,113</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 250,000</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Building Escrow	Petsmart Grant 2008	Federal Asset Forfeiture	Levy Excess Fund	Asset Forfeiture Nonreverting	TIF District Mall	Swat Donation
Cash and investments - beginning	\$ 18,000	\$ 569	\$ 42,949	\$ -	\$ 270	\$ 8,249	\$ -
Receipts:							
Taxes	-	-	-	16,660	-	126,962	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	23,684	-	652	-	-
Charges for services	5,000	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	178	-	-	398	537
Total receipts	<u>5,000</u>	<u>-</u>	<u>23,862</u>	<u>16,660</u>	<u>652</u>	<u>127,360</u>	<u>537</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	685	-	-
Other services and charges	3,950	-	16,306	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	89,819	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,950</u>	<u>-</u>	<u>16,306</u>	<u>-</u>	<u>685</u>	<u>89,819</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,050</u>	<u>-</u>	<u>7,556</u>	<u>16,660</u>	<u>(33)</u>	<u>37,541</u>	<u>537</u>
Cash and investments - ending	<u>\$ 19,050</u>	<u>\$ 569</u>	<u>\$ 50,505</u>	<u>\$ 16,660</u>	<u>\$ 237</u>	<u>\$ 45,790</u>	<u>\$ 537</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Explorer Donation	Moving Violations Bureau	Innkeeper Hotel Tax	Excess Welfare Distribution	GO Bond 2009 Sinking	Sanitary District Sinking	Storm Water Sinking
Cash and investments - beginning	\$ -	\$ 637	\$ 5,465	\$ -	\$ 28,994	\$ 2,598	\$ 112,342
Receipts:							
Taxes	-	-	4,725	-	-	322,988	400,655
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	102,014	4,974	28,125	87,304
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	16,479	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,000	-	-	-	35,378	48,466	33,174
Total receipts	<u>1,000</u>	<u>16,479</u>	<u>4,725</u>	<u>102,014</u>	<u>40,352</u>	<u>399,579</u>	<u>521,133</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	3,742	-	-	-	-
Debt service - principal and interest	-	-	-	-	63,484	402,158	596,576
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	16,740	-	-	-	-	32,710
Total disbursements	<u>-</u>	<u>16,740</u>	<u>3,742</u>	<u>-</u>	<u>63,484</u>	<u>402,158</u>	<u>629,286</u>
Excess (deficiency) of receipts over disbursements	<u>1,000</u>	<u>(261)</u>	<u>983</u>	<u>102,014</u>	<u>(23,132)</u>	<u>(2,579)</u>	<u>(108,153)</u>
Cash and investments - ending	<u>\$ 1,000</u>	<u>\$ 376</u>	<u>\$ 6,448</u>	<u>\$ 102,014</u>	<u>\$ 5,862</u>	<u>\$ 19</u>	<u>\$ 4,189</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Corp Bond/Lease	GO Bond 2010 Sinking	Park District Sinking	Cumulative Capital Improvement	Redevelopment Nonreverting	Nonreverting Police Equipment	Stormwater Army Corps Surplus
Cash and investments - beginning	\$ 582	\$ -	\$ -	\$ 126,796	\$ 65,105	\$ 9,748	\$ 5,276
Receipts:							
Taxes	134,444	-	83,559	-	-	-	-
Licenses and permits	-	-	-	-	34,766	150	-
Intergovernmental	10,897	-	7,461	50,753	-	-	-
Charges for services	-	-	-	-	-	11,906	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	25,915	793	21,984	3,310	89,820	-	-
Total receipts	171,256	793	113,004	54,063	124,586	12,056	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	3,301	-
Other services and charges	-	-	-	7,314	-	2,427	-
Debt service - principal and interest	160,000	-	104,380	-	-	-	-
Capital outlay	-	-	-	41,333	91,278	3,996	5,276
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,440	-	1,650	-	-	-	-
Total disbursements	161,440	-	106,030	48,647	91,278	9,724	5,276
Excess (deficiency) of receipts over disbursements	9,816	793	6,974	5,416	33,308	2,332	(5,276)
Cash and investments - ending	\$ 10,398	\$ 793	\$ 6,974	\$ 132,212	\$ 98,413	\$ 12,080	\$ -

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cumulative Building And Equipment	Stormwater District Proceeds	General Improvement	GO 2010 Bond Proceeds	GO 2009 Bond Proceeds	Fuel Fund Interlocal	Payroll Self Insurance
Cash and investments - beginning	\$ 436,612	\$ 91,262	\$ 102,466	\$ -	\$ 780,348	\$ 1,484	\$ 402,085
Receipts:							
Taxes	123,732	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	10,445	-	-	-	-	76,205	-
Charges for services	-	-	-	-	-	-	999,837
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	195	119	-	1,995,000	-	-	225,455
Total receipts	134,372	119	-	1,995,000	-	76,205	1,225,292
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	61,607	-
Other services and charges	69,888	-	-	132,889	76,645	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	107,425	91,262	-	1,682,250	628,708	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	119	-	-	-	-	1,225,114
Total disbursements	177,313	91,381	-	1,815,139	705,353	61,607	1,225,114
Excess (deficiency) of receipts over disbursements	(42,941)	(91,262)	-	179,861	(705,353)	14,598	178
Cash and investments - ending	\$ 393,671	\$ -	\$ 102,466	\$ 179,861	\$ 74,995	\$ 16,082	\$ 402,263

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Gun Range Interlocal	Health Benefit Claims	Police Officers' Pension	Police Perf	Payroll	Sewer Consumer Deposit
Cash and investments - beginning	\$ 846	\$ -	\$ 316,673	\$ 142	\$ -	\$ 93,544
Receipts:						
Taxes	-	-	-	304,039	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	50,000	-	456,478	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	12	691,004	-	90,370	5,090,397	7,225
Total receipts	50,012	691,004	456,478	394,409	5,090,397	7,225
Disbursements:						
Personal services	-	-	450,718	394,488	-	-
Supplies	1,162	-	-	-	-	-
Other services and charges	6,684	-	100	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	32,840	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	575,009	-	-	5,090,397	5,175
Total disbursements	40,686	575,009	450,818	394,488	5,090,397	5,175
Excess (deficiency) of receipts over disbursements	9,326	115,995	5,660	(79)	-	2,050
Cash and investments - ending	\$ 10,172	\$ 115,995	\$ 322,333	\$ 63	\$ -	\$ 95,594

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Sewer Utility Replacement	Sewer Utility Capital	Sewer Utility Operating	Storm Utility Capital	Storm Utility Operating	Water Consumer Deposits
Cash and investments - beginning	\$ 177,621	\$ (12,215)	\$ (360,627)	\$ 1,038,664	\$ 301,171	\$ 98,205
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	2,177,589	-	328,135	-
Penalties	-	-	46,177	-	16,822	-
Other receipts	-	39,000	403,464	594,801	618	7,375
Total receipts	<u>-</u>	<u>39,000</u>	<u>2,627,230</u>	<u>594,801</u>	<u>345,575</u>	<u>7,375</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	18,900	20,560	41,400	12,205	-
Utility operating expenses	-	-	2,037,538	-	302,041	-
Other disbursements	177,621	-	105,007	1,582,043	271,431	5,450
Total disbursements	<u>177,621</u>	<u>18,900</u>	<u>2,163,105</u>	<u>1,623,443</u>	<u>585,677</u>	<u>5,450</u>
Excess (deficiency) of receipts over disbursements	<u>(177,621)</u>	<u>20,100</u>	<u>464,125</u>	<u>(1,028,642)</u>	<u>(240,102)</u>	<u>1,925</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,885</u>	<u>\$ 103,498</u>	<u>\$ 10,022</u>	<u>\$ 61,069</u>	<u>\$ 100,130</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Water Utility Debt Reserve	Water Utility Improvement	Water Utility 2010 Loan	Water Utility Operating	Water Utility Sinking	Totals
Cash and investments - beginning	\$ 406,998	\$ 132,671	\$ -	\$ 252,199	\$ 71,386	\$ 6,989,398
Receipts:						
Taxes	-	-	-	-	-	5,606,801
Licenses and permits	-	-	-	-	-	245,476
Intergovernmental	-	-	-	-	-	3,017,167
Charges for services	-	-	-	-	-	2,084,814
Fines and forfeits	-	-	-	-	-	204,959
Utility fees	-	-	-	1,328,343	-	3,834,067
Penalties	-	-	-	16,079	-	79,078
Other receipts	-	375,936	15,000	15,106	396,000	15,073,297
Total receipts	-	375,936	15,000	1,359,528	396,000	30,145,659
Disbursements:						
Personal services	-	-	-	-	-	5,485,321
Supplies	-	-	-	-	-	595,824
Other services and charges	-	-	-	-	-	3,116,223
Debt service - principal and interest	-	-	15,000	-	402,155	1,743,753
Capital outlay	-	305,922	-	-	-	3,991,930
Utility operating expenses	-	-	-	1,212,818	-	3,552,397
Other disbursements	-	-	-	219,145	1,000	10,814,666
Total disbursements	-	305,922	15,000	1,431,963	403,155	29,300,114
Excess (deficiency) of receipts over disbursements	-	70,014	-	(72,435)	(7,155)	845,545
Cash and investments - ending	\$ 406,998	\$ 202,685	\$ -	\$ 179,764	\$ 64,231	\$ 7,834,943

Town of Griffith, Lake County, Indiana  
 Supplementary Information  
 Schedule of Capital Assets  
 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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 687,441
Infrastructure	5,260,926
Buildings	9,809,319
Improvements other than buildings	1,791,862
Machinery and equipment	<u>6,904,108</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 24,453,656</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 9,750
Buildings	1,694,438
Improvements other than buildings	3,492,313
Machinery and equipment	<u>247,639</u>
 Total Water Utility capital assets	 <u>5,444,140</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	65,000
Buildings	251,948
Improvements other than buildings	13,011,575
Machinery and equipment	<u>314,123</u>
 Total Wastewater Utility capital assets	 <u>13,642,646</u>
Stormwater Utility:	
Capital assets, not being depreciated:	
Land	35,994
Improvements other than buildings	55,387
Machinery and equipment	<u>114,906</u>
 Total Stormwater Utility capital assets	 <u>206,287</u>
 Total business-type activities capital assets	 <u>\$ 19,293,073</u>

Town of Griffith, Lake County, Indiana  
 Supplementary Information  
 Schedule of Long-Term Debt  
 December 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
1998 Public Works Building (description of asset leased)	\$ 1,360,000	\$ 160,000
Notes and loans payable:		
2004 Fire Truck Loan	223,401	69,889
2008 Park Truck Loan	11,491	6,141
2009 Park Truck Loan	11,473	6,033
Bonds payable:		
General obligation bonds:		
2008 Sanitary District Refunding Bond	2,155,000	400,095
2002 Park District Bond	205,000	105,760
2004 Stormwater District Bond	6,315,000	592,919
2009 General Obligation Bond	1,995,000	69,979
2010 General Obligation Bond	<u>1,995,000</u>	<u>130,599</u>
<b>Total governmental activities debt</b>	<b><u>\$ 14,271,365</u></b>	<b><u>\$ 1,541,415</u></b>
Business-type activities:		
Water Utility:		
Loans Payable:		
2010 Water Improvement Loan	\$ 237,426	\$ 60,000
Revenue bonds:		
2003 Water Refunding Bond	<u>2,375,000</u>	<u>401,135</u>
<b>Total Water Utility</b>	<b><u>2,612,426</u></b>	<b><u>461,135</u></b>
<b>Total business-type activities debt</b>	<b><u>\$ 2,612,426</u></b>	<b><u>\$ 461,135</u></b>

TOWN OF GRIFFITH  
AUDIT RESULT(S) AND COMMENT(S)

***RECEIPT COMPOSITION – BUILDING DEPARTMENT***

The composition of deposits did not agree with the composition of receipts in 40 percent of the transactions tested for the Building Department because some receipts were designated as both cash and checks.

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***ROCK 'N' RAIL STREET FESTIVAL***

The Town of Griffith sponsors an annual Rock 'N' Rail Street Festival each August. Tickets were sold for beer concessions and children activities; however, the tickets were not retained for audit. According to a member of the Town Council, ticket sales reports were prepared, but not retained for audit. We were unable to perform audit procedures for the accountability of ticket sales.

A similar comment appeared in the prior audit.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***CLAIM DEFICIENCIES***

1. A Board member was reimbursed for alcohol purchases totaling \$62.91. The amount was reimbursed to the Town on April 7, 2011.
2. Board members were reimbursed for meal charges totaling \$131.16 based solely upon a charge card slip and not the itemized bill.
3. Claims were paid to a consulting company totaling \$27,175 for a comprehensive Griffith Fire Department audit from the Cumulative Building and Equipment Fund established under Indiana Code 36-8-14. These expenditures were not allowable according to the statute.

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF GRIFFITH  
AUDIT RESULT(S) AND COMMENT(S)  
(Continued)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-8-14-2 (c) states:

"The legislative body of a unit or the board of fire trustees of a fire protection district may provide a cumulative building and equipment fund under IC 6-1.1-41 for the following purposes:

(1) The:

(A) purchase, construction, renovation, or addition to buildings; or

(B) purchase of land;

used by the fire department or a volunteer fire department serving the unit.

(2) The purchase of firefighting equipment for use of the fire department or a volunteer fire department serving the unit, including making the required payments under a lease rental with option to purchase agreement made to acquire the equipment.

(3) In a municipality, the purchase of police radio equipment.

(4) The:

(A) purchase, construction, renovation, or addition to a building;

(B) purchase of land; or

(C) purchase of equipment;

for use of a provider of emergency medical services under IC 16-31-5 to the unit establishing the fund."

**SENIOR CENTER**

1. A fee schedule for the senior center has not been approved by the Town Council.
2. The senior center sponsors an annual Christmas party. There was an optional \$5 donation collected for the event to cover expenses. \$3 of the donation was withheld from cash collections and given to a police officer for the "Shop with a Cop" program. We were unable to find any of the collections from the Christmas party being remitted to the clerk-treasurer's office or deposited.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF GRIFFITH, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Griffith (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal program for the year ended December 31, 2010. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, Town Council, Sanitary District Board, Stormwater Management Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 13, 2011

TOWN OF GRIFFITH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Federal Equity Sharing	16.xxx		\$ 23,684
Bulletproof Vest Partnership Program	16.607		4,875
Public Safety Partnership and Community Policing Grants	16.710	2009CKWX0107	125,000
Total for federal grantor agency			153,559
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	DES 0400712	106,731
		DES 0400713	331,145
		DES 9382030	26,986
ARRA - Highway Planning and Construction	20.205		31,816
Total for cluster			496,678
Total federal awards expended			\$ 650,237

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF GRIFFITH  
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Griffith (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

**Note 2. *Subsequent Event – Federal Grant Award***

The Towns of Griffith, Highland, Munster, and Dyer were awarded a federal grant on March 4, 2011, from the Assistance to Firefighters Grant Program – Operations and Safety. The grant will be used to install an adapter on every fire hydrant in the four communities to accept the five inch water supply hose that is carried on all of the fire apparatus. The total project is \$838,000 with \$670,400 federal (80%). The Town of Griffith will administer the grant.

TOWN OF GRIFFITH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficienc(y)(ies) identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficienc(y)(ies) identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Program:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

TOWN OF GRIFFITH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF GRIFFITH  
EXIT CONFERENCE

The contents of this report were discussed on April 13, 2011, with Ronald J. Szafarczyk, Clerk-Treasurer, and George Jerome, President of the Town Council. The officials concurred with our audit findings.