

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT

OF

TOWN OF GRIFFITH  
LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/27/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ronald Szafarczyk William Broderick (Deceased) George Jerome	01-01-08 to 12-31-11 01-01-12 to 02-12-12 03-14-12 to 12-31-15
Interim Clerk-Treasurer	Sue Katona	02-13-12 to 03-13-12
President of the Town Council	George Jerome Glen Gaby	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Sanitary District Board	Clark Swartz	01-01-11 to 12-31-12
President of the Storm Water Management Board	Patrick Janke	01-01-11 to 12-31-12
President of the Redevelopment Commission	Jon Terpstra	01-01-11 to 12-31-12
President of Park and Recreation Board	Scott Sutton A.J. Lewis	01-01-11 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

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, 2011. This financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion 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 opinion.

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.

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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 2012, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to

INDEPENDENT AUDITOR'S REPORT  
(Continued)

the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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, 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

September 13, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
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, 2011, and have issued our report thereon dated September 13, 2012. 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

Management of the Town is responsible for establishing and maintaining effective 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.

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

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.

This report is intended solely for the information and use of the Town's management, Town Council, 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

September 13, 2012

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF GRIFFITH  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 20,279	\$ 8,237,142	\$ 7,749,652	\$ 507,769
Motor Vehicle Highway	26,225	883,949	678,010	232,164
Local Road & Street	253,351	162,381	189,696	226,036
Law Enforce Continuing Education	47,164	16,729	12,537	51,356
Casino Gaming	45,332	1,342,335	1,028,465	359,202
Park & Recreation	84	310,344	263,417	47,011
Rainy Day Fund	250,000	-	-	250,000
Federal Asset Forfeit	50,505	318	3,365	47,458
Levy Excess Fund	16,660	-	16,660	-
Excess Welfare Distribution	102,014	-	70,232	31,782
Cumulative Cap Improve	132,212	64,188	72,462	123,938
Police Equipment Nonreverting	12,080	10,965	13,695	9,350
Cumulative Building & Equipment	393,671	182,028	128,487	447,212
General Improvement	102,466	-	-	102,466
Pay Indiana Police Pension 25	322,333	459,314	552,789	228,858
Recycling Grant	109,087	103,828	118,865	94,050
Moving Violations Bureau	376	16,063	15,727	712
Asset Forfeit 34-4-30.5 Nonreverting	237	990	699	528
Vandalism Reward	500	-	-	500
2% Engineer Review Fee	15,838	-	397	15,441
Tourism Innkeeper Tax	6,448	-	3,935	2,513
Infraction Deferral	2,202	62,023	60,372	3,853
Unsafe Building Nonreverting	34,101	10,174	65	44,210
Redevelopment Nonreverting	98,413	31,747	36,369	93,791
Building Escrow	19,050	5,300	5,100	19,250
General Obligation Bond 2009 Sinking	5,862	144,810	107,684	42,988
General Obligation Bond 2010 Sinking	793	170,274	93,280	77,787
Lease Rental Building Corporation	10,398	261,577	201,935	70,040
Sanitary Sewer Sinking	19	623,900	448,095	175,824
Park District Sinking	6,974	174,836	136,963	44,847
Storm Water Sinking	4,189	900,535	593,419	311,305
Park Capital Donate	5,764	-	-	5,764
Gun Range Interlocal	10,172	30,532	40,942	(238)
Fire Dept Donation Equipment	52,412	17,006	9,967	59,451
Fire Grant Interlocal	-	232,629	232,629	-
General Obligation 2009 Bond Proceeds	74,995	-	74,995	-
Police Donation	7,046	995	2,304	5,737
VEST Donation	664	920	695	889
Senior Center Nonreverting	4,113	14,177	16,229	2,061
Redevelopment Brochure Donation	500	-	-	500
SWAT Donation	537	-	-	537
Explorer Donation	1,000	1,800	843	1,957
General Obligation 2010 Bond Proceeds	179,861	-	179,861	-
Fuel Fund Interlocal	16,082	70,180	68,633	17,629
PetSmart Grant 2008	569	-	-	569
CN RR Mitigation	3,569,755	775,000	1,544,966	2,799,789

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

TOWN OF GRIFFITH  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011  
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Downtown Revitalization	26,224	-	23,757	2,467
Cash Drawer #2	200	-	-	200
Cash Drawer #1	200	-	-	200
Rock n Rails	-	66,606	48,353	18,253
Franklin Center Nonreverting	-	27,498	-	27,498
TIF District #1 Mall	45,790	922,715	133,178	835,327
Payroll Direct Deposit Net	-	3,296,134	3,296,134	-
Payroll Federal Withholding	-	562,486	562,486	-
Payroll FICA	-	227,587	227,587	-
Payroll Medicare	-	109,111	109,111	-
Payroll State Withholding	-	147,215	147,215	-
Payroll PERF	-	218,213	218,213	-
Payroll Police PERF 1977	63	391,104	391,012	155
Payroll Volunteer PERF	-	13,956	13,956	-
Payroll Self Insurance	402,263	950,595	926,565	426,293
Payroll Teamster Insurance	-	230,269	230,269	-
Payroll Colonial Insurance	-	824	824	-
Payroll AFLAC Insurance	-	14,410	14,410	-
Payroll Unum Insurance	-	3,773	3,773	-
Payroll Union Dues	-	10,124	10,124	-
Payroll Humana Insurance	-	1,278	1,278	-
Payroll FOP Dues	-	3,120	3,120	-
Payroll Deferred Comp 457	-	53,711	53,711	-
Pay Vehicle Assess	-	1,170	1,170	-
Payroll Child Support	-	62,885	62,885	-
Pay Garnish Household Finance	-	2,932	2,932	-
Pay Garnish Asset Accept	-	3,250	3,250	-
Pay Garnish Advance FCU	-	300	300	-
Pay Garnish Olena	-	217	217	-
Pay Garnish Chapter 13	-	7,710	7,710	-
Health Benefit Claims	115,995	680,008	684,761	111,242
Storm Utility Operating	61,069	385,757	140,152	306,674
Storm Utility Capital	10,022	2,132,843	943,765	1,199,100
Sewer Utility Operating	103,498	2,212,070	2,311,681	3,887
Sewer Consumer Deposit	95,594	6,900	7,225	95,269
Sewer Utility Capital	7,885	2,718	-	10,603
Sewer Utility Replacement	-	-	-	-
Water Utility Operating	179,764	1,341,428	1,515,230	5,962
Water Consumer Deposits	100,130	7,250	7,310	100,070
Water Utility Improvement	202,685	146,290	414,332	(65,357)
Water Utility Sinking	64,231	366,031	401,635	28,627
Water Utility Debt Reserve	406,998	-	-	406,998
Water Utility 2010 Loan	-	60,000	60,000	-
Totals	<u>\$ 7,834,944</u>	<u>\$ 29,989,477</u>	<u>\$ 27,754,067</u>	<u>\$ 10,070,354</u>

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

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT

**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 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, storm water, trash, and urban redevelopment.

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is 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 statement. The aggregate receipts include 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.

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,

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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, recycling fees, dog pound 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.

Penalties which include fees received for late payments.

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 statement. The aggregate disbursements include 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.

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

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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  
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*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 Indiana Public Retirement System 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 Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

TOWN OF GRIFFITH  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy*

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

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General Fund	Motor Vehicle Highway	Local Road & Street	Law Enforce Continuing Education	Casino Gaming	Park & Recreation	Rainy Day Fund
Cash and investments - beginning	\$ 20,279	\$ 26,225	\$ 253,351	\$ 47,164	\$ 45,332	\$ 84	\$ 250,000
Receipts:							
Taxes	5,876,741	360,369	-	-	-	230,116	-
Licenses and permits	314,637	200	-	4,970	-	-	-
Intergovernmental	384,435	494,193	162,251	-	803,620	13,316	-
Charges for services	905,665	11,215	-	6,465	243,511	54,199	-
Fines and forfeits	111,254	-	-	5,290	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	644,410	17,972	130	4	295,204	12,713	-
Total receipts	<u>8,237,142</u>	<u>883,949</u>	<u>162,381</u>	<u>16,729</u>	<u>1,342,335</u>	<u>310,344</u>	<u>-</u>
Disbursements:							
Personal services	3,868,224	364,760	-	-	-	109,491	-
Supplies	245,527	98,676	121,893	-	-	20,677	-
Other services and charges	1,649,012	214,144	51,331	12,537	805,126	53,009	-
Debt service - principal and interest	1,935,000	-	-	-	-	57,800	-
Capital outlay	51,889	430	16,472	-	223,339	22,440	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>7,749,652</u>	<u>678,010</u>	<u>189,696</u>	<u>12,537</u>	<u>1,028,465</u>	<u>263,417</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>487,490</u>	<u>205,939</u>	<u>(27,315)</u>	<u>4,192</u>	<u>313,870</u>	<u>46,927</u>	<u>-</u>
Cash and investments - ending	<u>\$ 507,769</u>	<u>\$ 232,164</u>	<u>\$ 226,036</u>	<u>\$ 51,356</u>	<u>\$ 359,202</u>	<u>\$ 47,011</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, 2011  
 (Continued)

	Federal Asset Forfeit	Levy Excess Fund	Excess Welfare Distribution	Cumulative Cap Improve	Police Equipment Nonreverting	Cumulative Building & Equipment	General Improvement
Cash and investments - beginning	\$ 50,505	\$ 16,660	\$ 102,014	\$ 132,212	\$ 12,080	\$ 393,671	\$ 102,466
Receipts:							
Taxes	-	-	-	-	-	172,387	-
Licenses and permits	-	-	-	-	275	-	-
Intergovernmental	-	-	-	49,779	-	9,435	-
Charges for services	-	-	-	2,548	9,165	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	318	-	-	11,861	1,525	206	-
Total receipts	<u>318</u>	<u>-</u>	<u>-</u>	<u>64,188</u>	<u>10,965</u>	<u>182,028</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	1,876	4,800	-
Other services and charges	3,365	16,660	-	8,522	-	-	-
Debt service - principal and interest	-	-	-	-	-	69,888	-
Capital outlay	-	-	70,232	63,940	11,819	53,799	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,365</u>	<u>16,660</u>	<u>70,232</u>	<u>72,462</u>	<u>13,695</u>	<u>128,487</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,047)</u>	<u>(16,660)</u>	<u>(70,232)</u>	<u>(8,274)</u>	<u>(2,730)</u>	<u>53,541</u>	<u>-</u>
Cash and investments - ending	<u>\$ 47,458</u>	<u>\$ -</u>	<u>\$ 31,782</u>	<u>\$ 123,938</u>	<u>\$ 9,350</u>	<u>\$ 447,212</u>	<u>\$ 102,466</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Pay Indiana Police Pension 25	Recycling Grant	Moving Violations Bureau	Asset Forfeit 34-4-30.5 Nonreverting	Vandalism Reward	2% Engineer Review Fee	Tourism Innkeeper Tax
Cash and investments - beginning	\$ 322,333	\$ 109,087	\$ 376	\$ 237	\$ 500	\$ 15,838	\$ 6,448
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	459,314	103,572	-	990	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	16,063	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	256	-	-	-	-	-
Total receipts	<u>459,314</u>	<u>103,828</u>	<u>16,063</u>	<u>990</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	552,789	-	-	-	-	-	-
Supplies	-	-	-	699	-	-	-
Other services and charges	-	52,134	15,727	-	-	397	3,935
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	66,731	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>552,789</u>	<u>118,865</u>	<u>15,727</u>	<u>699</u>	<u>-</u>	<u>397</u>	<u>3,935</u>
Excess (deficiency) of receipts over disbursements	<u>(93,475)</u>	<u>(15,037)</u>	<u>336</u>	<u>291</u>	<u>-</u>	<u>(397)</u>	<u>(3,935)</u>
Cash and investments - ending	<u>\$ 228,858</u>	<u>\$ 94,050</u>	<u>\$ 712</u>	<u>\$ 528</u>	<u>\$ 500</u>	<u>\$ 15,441</u>	<u>\$ 2,513</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Infraction Deferral	Unsafe Building Nonreverting	Redevelopment Nonreverting	Building Escrow	General Obligation Bond 2009 Sinking	General Obligation Bond 2010 Sinking	Lease Rental Building Corporation
Cash and investments - beginning	\$ 2,202	\$ 34,101	\$ 98,413	\$ 19,050	\$ 5,862	\$ 793	\$ 10,398
Receipts:							
Taxes	-	-	-	-	133,580	155,617	231,166
Licenses and permits	-	10,174	30,511	-	-	-	-
Intergovernmental	-	-	-	-	6,944	14,378	13,397
Charges for services	-	-	-	5,300	-	-	-
Fines and forfeits	62,023	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	1,236	-	4,286	279	17,014
Total receipts	<u>62,023</u>	<u>10,174</u>	<u>31,747</u>	<u>5,300</u>	<u>144,810</u>	<u>170,274</u>	<u>261,577</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	60,372	65	1,852	5,100	-	500	500
Debt service - principal and interest	-	-	-	-	107,684	92,780	201,435
Capital outlay	-	-	34,517	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>60,372</u>	<u>65</u>	<u>36,369</u>	<u>5,100</u>	<u>107,684</u>	<u>93,280</u>	<u>201,935</u>
Excess (deficiency) of receipts over disbursements	<u>1,651</u>	<u>10,109</u>	<u>(4,622)</u>	<u>200</u>	<u>37,126</u>	<u>76,994</u>	<u>59,642</u>
Cash and investments - ending	<u>\$ 3,853</u>	<u>\$ 44,210</u>	<u>\$ 93,791</u>	<u>\$ 19,250</u>	<u>\$ 42,988</u>	<u>\$ 77,787</u>	<u>\$ 70,040</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Sanitary Sewer Sinking	Park District Sinking	Storm Water Sinking	Park Capital Donate	Gun Range Interlocal	Fire Dept Donation Equipment	Fire Grant Interlocal
Cash and investments - beginning	\$ 19	\$ 6,974	\$ 4,189	\$ 5,764	\$ 10,172	\$ 52,412	\$ -
Receipts:							
Taxes	590,382	155,761	805,467	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	33,126	8,659	94,848	-	-	-	232,629
Charges for services	-	-	-	-	30,000	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	392	10,416	220	-	532	17,006	-
Total receipts	<u>623,900</u>	<u>174,836</u>	<u>900,535</u>	<u>-</u>	<u>30,532</u>	<u>17,006</u>	<u>232,629</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	7,404	7,593	-
Other services and charges	-	500	500	-	9,772	315	-
Debt service - principal and interest	448,095	136,463	592,919	-	-	-	-
Capital outlay	-	-	-	-	23,766	2,059	232,629
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>448,095</u>	<u>136,963</u>	<u>593,419</u>	<u>-</u>	<u>40,942</u>	<u>9,967</u>	<u>232,629</u>
Excess (deficiency) of receipts over disbursements	<u>175,805</u>	<u>37,873</u>	<u>307,116</u>	<u>-</u>	<u>(10,410)</u>	<u>7,039</u>	<u>-</u>
Cash and investments - ending	<u>\$ 175,824</u>	<u>\$ 44,847</u>	<u>\$ 311,305</u>	<u>\$ 5,764</u>	<u>\$ (238)</u>	<u>\$ 59,451</u>	<u>\$ -</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	General Obligation 2009 Bond Proceeds	Police Donation	VEST Donation	Senior Center Nonreverting	Redevelopment Brochure Donation	SWAT Donation	Explorer Donation
Cash and investments - beginning	\$ 74,995	\$ 7,046	\$ 664	\$ 4,113	\$ 500	\$ 537	\$ 1,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	13,068	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	995	920	1,109	-	-	1,800
Total receipts	<u>-</u>	<u>995</u>	<u>920</u>	<u>14,177</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	2,304	-	3,109	-	-	274
Other services and charges	860	-	-	12,246	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	74,135	-	695	874	-	-	569
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>74,995</u>	<u>2,304</u>	<u>695</u>	<u>16,229</u>	<u>-</u>	<u>-</u>	<u>843</u>
Excess (deficiency) of receipts over disbursements	<u>(74,995)</u>	<u>(1,309)</u>	<u>225</u>	<u>(2,052)</u>	<u>-</u>	<u>-</u>	<u>957</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,737</u>	<u>\$ 889</u>	<u>\$ 2,061</u>	<u>\$ 500</u>	<u>\$ 537</u>	<u>\$ 1,957</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	General Obligation 2010 Bond Proceeds	Fuel Fund Interlocal	PetSmart Grant 2008	CN RR Mitigation	Downtown Revitalization	Cash Drawer #2	Cash Drawer #1
Cash and investments - beginning	\$ 179,861	\$ 16,082	\$ 569	\$ 3,569,755	\$ 26,224	\$ 200	\$ 200
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	70,180	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	775,000	-	-	-
Total receipts	-	70,180	-	775,000	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	68,633	-	-	536	-	-
Other services and charges	115,544	-	-	401,721	23,221	-	-
Debt service - principal and interest	37,801	-	-	-	-	-	-
Capital outlay	26,516	-	-	1,143,245	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	179,861	68,633	-	1,544,966	23,757	-	-
Excess (deficiency) of receipts over disbursements	(179,861)	1,547	-	(769,966)	(23,757)	-	-
Cash and investments - ending	\$ -	\$ 17,629	\$ 569	\$ 2,799,789	\$ 2,467	\$ 200	\$ 200

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Rock n Rails	Franklin Center Nonreverting	TIF District #1 Mall	Payroll Direct Deposit Net	Payroll Federal Withholding	Payroll FICA	Payroll Medicare
Cash and investments - beginning	\$ -	\$ -	\$ 45,790	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	705,214	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	19,350	23,278	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	47,256	4,220	217,501	3,296,134	562,486	227,587	109,111
Total receipts	<u>66,606</u>	<u>27,498</u>	<u>922,715</u>	<u>3,296,134</u>	<u>562,486</u>	<u>227,587</u>	<u>109,111</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	16,785	-	-	-	-	-	-
Other services and charges	31,568	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	133,178	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	3,296,134	562,486	227,587	109,111
Total disbursements	<u>48,353</u>	<u>-</u>	<u>133,178</u>	<u>3,296,134</u>	<u>562,486</u>	<u>227,587</u>	<u>109,111</u>
Excess (deficiency) of receipts over disbursements	<u>18,253</u>	<u>27,498</u>	<u>789,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 18,253</u>	<u>\$ 27,498</u>	<u>\$ 835,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Payroll State Withholding	Payroll PERF	Payroll Police PERF 1977	Payroll Volunteer PERF	Payroll Self Insurance	Payroll Teamster Insurance	Payroll Colonial Insurance
Cash and investments - beginning	\$ -	\$ -	\$ 63	\$ -	\$ 402,263	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	147,215	218,213	391,104	13,956	950,595	230,269	824
Total receipts	<u>147,215</u>	<u>218,213</u>	<u>391,104</u>	<u>13,956</u>	<u>950,595</u>	<u>230,269</u>	<u>824</u>
Disbursements:							
Personal services	-	-	-	-	926,565	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	147,215	218,213	391,012	13,956	-	230,269	824
Total disbursements	<u>147,215</u>	<u>218,213</u>	<u>391,012</u>	<u>13,956</u>	<u>926,565</u>	<u>230,269</u>	<u>824</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>92</u>	<u>-</u>	<u>24,030</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 426,293</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Payroll AFLAC Insurance	Payroll Unum Insurance	Payroll Union Dues	Payroll Humana Insurance	Payroll FOP Dues	Payroll Deferred Comp 457	Pay Vehicle Assess
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	14,410	3,773	10,124	1,278	3,120	53,711	1,170
Total receipts	<u>14,410</u>	<u>3,773</u>	<u>10,124</u>	<u>1,278</u>	<u>3,120</u>	<u>53,711</u>	<u>1,170</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	14,410	3,773	10,124	1,278	3,120	53,711	1,170
Total disbursements	<u>14,410</u>	<u>3,773</u>	<u>10,124</u>	<u>1,278</u>	<u>3,120</u>	<u>53,711</u>	<u>1,170</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Payroll Child Support	Pay Garnish Household Finance	Pay Garnish Asset Accept	Pay Garnish Advance FCU	Pay Garnish Olena	Pay Garnish Chapter 13	Health Benefit Claims
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,995
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	62,885	2,932	3,250	300	217	7,710	680,008
Total receipts	62,885	2,932	3,250	300	217	7,710	680,008
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	62,885	2,932	3,250	300	217	7,710	684,761
Total disbursements	62,885	2,932	3,250	300	217	7,710	684,761
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(4,753)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,242

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Storm Utility Operating	Storm Utility Capital	Sewer Utility Operating	Sewer Consumer Deposit	Sewer Utility Capital	Sewer Utility Replacement	Water Utility Operating
Cash and investments - beginning	\$ 61,069	\$ 10,022	\$ 103,498	\$ 95,594	\$ 7,885	\$ -	\$ 179,764
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	368,059	275,000	2,159,402	-	2,600	-	1,306,443
Penalties	17,025	-	46,990	-	-	-	16,320
Other receipts	673	1,857,843	5,678	6,900	118	-	18,665
Total receipts	<u>385,757</u>	<u>2,132,843</u>	<u>2,212,070</u>	<u>6,900</u>	<u>2,718</u>	<u>-</u>	<u>1,341,428</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	380,715	-	-	-	-	-
Utility operating expenses	140,152	-	2,311,681	-	-	-	1,381,918
Other disbursements	-	563,050	-	7,225	-	-	133,312
Total disbursements	<u>140,152</u>	<u>943,765</u>	<u>2,311,681</u>	<u>7,225</u>	<u>-</u>	<u>-</u>	<u>1,515,230</u>
Excess (deficiency) of receipts over disbursements	<u>245,605</u>	<u>1,189,078</u>	<u>(99,611)</u>	<u>(325)</u>	<u>2,718</u>	<u>-</u>	<u>(173,802)</u>
Cash and investments - ending	<u>\$ 306,674</u>	<u>\$ 1,199,100</u>	<u>\$ 3,887</u>	<u>\$ 95,269</u>	<u>\$ 10,603</u>	<u>\$ -</u>	<u>\$ 5,962</u>

TOWN OF GRIFFITH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Water Consumer Deposits	Water Utility Improvement	Water Utility Sinking	Water Utility Debt Reserve	Water Utility 2010 Loan	Totals
Cash and investments - beginning	\$ 100,130	\$ 202,685	\$ 64,231	\$ 406,998	\$ -	\$ 7,834,944
Receipts:						
Taxes	-	-	-	-	-	9,416,800
Licenses and permits	-	-	-	-	-	360,767
Intergovernmental	-	-	-	-	-	2,884,886
Charges for services	-	-	-	-	-	1,393,944
Fines and forfeits	-	-	-	-	-	194,630
Utility fees	-	146,140	366,000	-	60,000	4,683,644
Penalties	-	-	-	-	-	80,335
Other receipts	7,250	150	31	-	-	10,974,471
Total receipts	<u>7,250</u>	<u>146,290</u>	<u>366,031</u>	<u>-</u>	<u>60,000</u>	<u>29,989,477</u>
Disbursements:						
Personal services	-	-	-	-	-	5,821,829
Supplies	-	-	-	-	-	600,786
Other services and charges	-	-	-	-	-	3,550,535
Debt service - principal and interest	-	-	401,135	-	60,000	4,141,000
Capital outlay	-	414,332	-	-	-	3,048,321
Utility operating expenses	-	-	-	-	-	3,833,751
Other disbursements	7,310	-	500	-	-	6,757,845
Total disbursements	<u>7,310</u>	<u>414,332</u>	<u>401,635</u>	<u>-</u>	<u>60,000</u>	<u>27,754,067</u>
Excess (deficiency) of receipts over disbursements	<u>(60)</u>	<u>(268,042)</u>	<u>(35,604)</u>	<u>-</u>	<u>-</u>	<u>2,235,410</u>
Cash and investments - ending	<u>\$ 100,070</u>	<u>\$ (65,357)</u>	<u>\$ 28,627</u>	<u>\$ 406,998</u>	<u>\$ -</u>	<u>\$ 10,070,354</u>

TOWN OF GRIFFITH  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 169,901	\$ 51,375
Storm Water	128	25,635
Wastewater	67,758	65,241
Water	<u>34,325</u>	<u>54,168</u>
Totals	<u>\$ 272,112</u>	<u>\$ 196,419</u>

TOWN OF GRIFFITH  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Griffith Public Works Building Corporation	Public works building & property senior center remodel	\$ 160,000	08-01-99	02-01-19
Ikon Office Solutions	Ricoh MP 3351 copier	1,404	07-21-11	07-21-16
Ikon Office Solutions	Ricoh MP 3351SP copier	<u>2,376</u>	03-30-11	03-30-14
Total governmental activities		<u>163,780</u>		
Total of annual lease payments		<u>\$ 163,780</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO Bond 2009 Road projects	\$ 1,985,000	\$ 69,744
General obligation bonds	GO Bond 2010 Road projects	1,940,000	194,079
General obligation bonds	Park Improvements	105,000	107,560
Notes and loans payable	Fire Truck Loan	159,755	69,888
Notes and loans payable	Park Loan 2008 GMC	5,868	6,140
Notes and loans payable	Park Loan 2009 Chevy	<u>5,833</u>	<u>6,032</u>
Total governmental activities		<u>4,201,456</u>	<u>453,443</u>
Storm Water:			
General obligation bonds	Stormwater Improvements - tunnel project	<u>5,990,000</u>	<u>589,163</u>
Wastewater:			
General obligation bonds	Sanitary Sewer Improvements Refunding bond	<u>1,835,000</u>	<u>402,647</u>
Water:			
Revenue bonds	Water Improvements Refunding Bond	2,075,000	399,285
Notes and loans payable	2010 Water Improvement Loan	<u>198,772</u>	<u>60,000</u>
Total Water		<u>2,273,772</u>	<u>459,285</u>
Totals		<u>\$ 14,300,228</u>	<u>\$ 1,904,538</u>

TOWN OF GRIFFITH  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,249,591
Infrastructure	5,316,313
Buildings	9,809,329
Improvements other than buildings	1,791,862
Machinery, equipment and vehicles	6,858,893
Total governmental activities	25,025,988
Storm Water:	
Land	35,994
Machinery, equipment and vehicles	114,441
Total Storm Water	150,435
Wastewater:	
Land	65,000
Infrastructure	11,832,209
Buildings	251,948
Improvements other than buildings	1,179,366
Machinery, equipment and vehicles	313,658
Total Wastewater	13,642,181
Water:	
Land	9,750
Infrastructure	2,871,022
Buildings	1,694,438
Improvements other than buildings	621,292
Machinery, equipment and vehicles	298,233
Total Water	5,494,735
Total capital assets	\$ 44,313,339

TOWN OF GRIFFITH  
AUDIT RESULTS AND COMMENTS

**GOVERNING BOARDS**

The Town has established a Sanitary District Board, a Storm Water Management Board, and an Economic Development Commission.

***Sanitary District Board***

Minutes for meetings for the Sanitary District Board were not provided for the months of June through August 2011, and all of 2012. Minutes for the months of February, April, September, and October, 2011 indicated the Board could not meet due to the lack of a quorum.

Indiana Code 36-9-25-9 states in part: "The board shall manage and control all sewage works of the district. The board has concurrent power with the works board of the municipality to construct, reconstruct, maintain, repair, and regulate the use of all connecting and intercepting sewers . . ."

***Storm Water Management Board***

The Storm Water Management Board agreed to have monthly meetings on the third Thursday of every month to conduct the business of the Storm Water Utility. The following deficiencies were noted during the review of the Storm Water Management Board minutes:

- A. In 2011, the board only met five times (March, June, July, September, and November). Six monthly meetings were canceled due to the lack of a quorum.
- B. The March 2011 meeting minutes were not provided for audit, however, meeting minutes were approved at the June meeting.
- C. Minutes or documentation that a meeting was not held for lack of quorum was not provided for December 2011 through July 2012 monthly meetings.

Indiana Code 8-1.5-5-6 states in part: "The board has the powers and duties prescribed by IC 8-1.5-3-4(a)."

Indiana Code 8-1.5-3-4(a) states in part: "The board has general supervisory powers over the utilities under its control, . . ."

Indiana Code 8-1.5-5-4 (b) states: "If the legislative body of a municipality adopts the provisions of this chapter by ordinance, a department of storm water management is established and is controlled by a board of directors."

***Economic Development Commission***

Minutes for the Economic Development Commission were not available for audit. The website for the Town indicates the Economic Development Commission meets on the first Wednesday of each month. Members of the Economic Development Commission attend the Redevelopment Commission meetings according to the minutes for the Redevelopment Commission.

Indiana Code 36-7-12-12(a) states in part, "An economic development commission shall meet within thirty (30) days after its original appointment, at a time and place designated by the executive of the unit, for the purpose of organization, and shall meet to reorganize in February of each succeeding year."

TOWN OF GRIFFITH  
AUDIT RESULTS AND COMMENTS  
(Continued)

The decision as to the disposition or destruction of any record rests entirely upon the commission; however, there are certain records which appear to be sufficient value to require that they be retained permanently, and there are other records which should not be disposed of for a period of longer than three years, due to limitations imposed under other statutes. Among these records are:

***Retained Permanently***

All minutes due to their historical value and their value in determining titles of property, appointments, etc. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5.

(c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

***Approval of Accounts Payable Vouchers***

Claims or accounts payable vouchers supporting disbursements of the Sanitary District (which includes the Wastewater Utility funds) and the Redevelopment Commission funds are approved for payment by the Town Council. There is a Sanitary District Board, and a Redevelopment Commission, which have jurisdiction for allowing and approving the payments for their respective funds.

The total Storm Water Management District (Storm Water) accounts payable vouchers that were approved by the Storm Water Board totaled \$57,331.97. This total was obtained from the limited 2011 minutes provided for audit. The total annual disbursements of the Storm Utility Operating, Storm Utility Capital, and Storm Water Sinking Funds were \$1,677,336.54. The Storm Water District's accounts payable vouchers are being approved by the Town Council.

Indiana Code 5-11-10-2(a) states in part:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid."

TOWN OF GRIFFITH  
AUDIT RESULTS AND COMMENTS  
(Continued)

**COLLECTIONS**

***Rock and Rails Festival***

The Town sponsors a Rock and Rails Festival during Labor Day Weekend. The Town collects fees from vendors and patrons for various events. The Town has a "Rock and Rails Committee" which establishes the fees to be charged. The fees are not presented to either the Park Board or to the Town Council for inclusion in an Ordinance.

Receipt books are used to account for collections from patrons at the Car Show; however, the receipt books are not prescribed forms.

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***Senior Center***

As stated in the prior audit report, the Town has a Senior Center. Seniors purchase meals and other items at the Senior Center. A fee schedule has not been approved by the Town Council authorizing the fees charged to the senior citizens.

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)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
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 Town of Griffith's (Town) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The Town's major federal programs are 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 programs 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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

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 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 THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
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, 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

September 13, 2012

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared and approved by management of the Town. The schedule and note are presented as intended by the Town.

TOWN OF GRIFFITH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2011

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			
Equitable Sharing Program	16.922		\$ <u>3,365</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
ARRA - Highway Planning and Construction	20.205		
Main St. - Wood to Chase		DES 0900663:ARRA	59
Highway Planning and Construction	20.205		
Main St @ Wiggs Industrial Dr & CN Tracks		HES-99945(0AB)	58,864
Avenue H & S Arbogast		DES 0810299	110,321
Broad St Phase II		DES 0400712	406,058
Broad St Phase I		DES 0400713	<u>21,405</u>
Total for federal grantor agency			<u>596,707</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2010-FR-00269	<u>232,629</u>
Total federal awards expended			<u>\$ <u>832,701</u></u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF GRIFFITH  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Griffith and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.



TOWN OF GRIFFITH  
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2012, with Ronald Szafarczyk, former Clerk-Treasurer. He concurred with our audit findings.

The contents of this report were discussed on September 13, 2012, with George Jerome, Clerk-Treasurer; Sue Katona, Deputy Clerk-Treasurer; Rick Ryfa, Town Council member and Glen Gaby, President of the Town Council.