

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

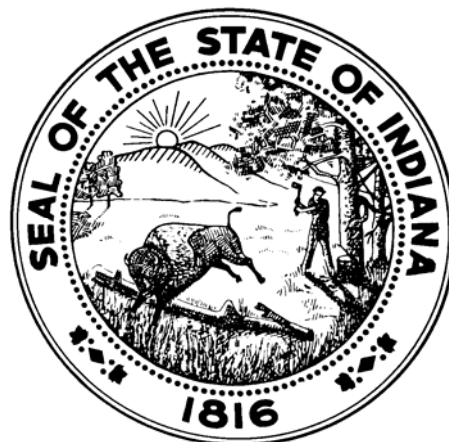
AUDIT REPORT

OF

TOWN OF CENTERVILLE

WAYNE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Roberts	01-01-03 to 12-31-10
President of the Town Council	Daniel W. Wandersee	01-01-05 to 12-31-07
Superintendent of Utilities	Jay Martin	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TOWN OF CENTERVILLE, WAYNE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Centerville (Town), as of and for the years ended December 31, 2005 and 2006, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 2, 2007, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Town taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The 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 basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 2, 2007



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF CENTERVILLE, WAYNE COUNTY, INDIANA

We have audited the financial statements of the Town of Centerville (Town), as of and for the years ended December 31, 2005 and 2006, and have issued our report thereon dated July 2, 2007. 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.

Compliance

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

July 2, 2007

TOWN OF CENTERVILLE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 286,695	\$ 39,011	\$ -	\$ -	\$ (247,684)	\$ -	\$ (247,684)
Public safety	293,784	93,483	1,800	-	(198,501)	-	(198,501)
Highways and streets	187,044	11,537	-	91,069	(84,438)	-	(84,438)
Sanitation	94,136	-	-	-	(94,136)	-	(94,136)
Economic development	17,789	-	10,472	-	(7,317)	-	(7,317)
Urban housing and redevelopment	3,082	-	-	-	(3,082)	-	(3,082)
Interest on long-term debt	7,250	-	-	-	(7,250)	-	(7,250)
Total governmental activities	889,780	144,031	12,272	91,069	(642,408)	-	(642,408)
Business-type activities:							
Water	356,126	275,699	-	200,000	-	119,573	119,573
Wastewater	479,658	422,823	-	-	-	(56,835)	(56,835)
Electric	1,738,402	1,617,158	-	-	-	(121,244)	(121,244)
Storm Water	1,993,412	283,820	-	500,000	-	(1,209,592)	(1,209,592)
Total business-type activities	4,567,598	2,599,500	-	700,000	-	(1,268,098)	(1,268,098)
Total primary government	\$ 5,457,378	\$ 2,743,531	\$ 12,272	\$ 791,069	(642,408)	(1,268,098)	(1,910,506)
General receipts:							
Property taxes					420,839	-	420,839
Financial institutions tax					17,132	-	17,132
Riverboat sharing					15,304	-	15,304
Economic development income tax					40,480	-	40,480
Auto and aircraft excise tax					43,897	-	43,897
Certified shares					74,206	-	74,206
County option tax					6,296	-	6,296
Commercial vehicle excise tax					3,880	-	3,880
Liquor excise tax					825	-	825
Liquor gallonage tax					105,463	-	105,463
Cigarette tax					9,549	-	9,549
Other local sources					72,140	-	72,140
Bonds and loans					-	1,180,000	1,180,000
Grants and contributions not restricted to specific programs					-	261,397	261,397
Unrestricted investment earnings					19,450	19,419	38,869
Total general receipts					829,461	1,460,816	2,290,277
Change in net assets					187,053	192,718	379,771
Net assets - beginning					1,323,693	816,411	2,140,104
Net assets - ending					\$ 1,510,746	\$ 1,009,129	\$ 2,519,875
Assets							
Cash and investments					\$ 459,545	\$ 645,817	\$ 1,105,362
Restricted assets:							
Cash and investments					1,051,201	363,312	1,414,513
Total assets					\$ 1,510,746	\$ 1,009,129	\$ 2,519,875
Net Assets							
Restricted for:							
Highways and streets					\$ 339,282	\$ -	\$ 339,282
Public safety					74,061	-	74,061
Culture and recreation					645	-	645
Health and welfare					105,904	-	105,904
Debt service					29,725	12,453	42,178
Other purposes					501,584	350,859	852,443
Unrestricted					459,545	645,817	1,105,362
Total net assets					\$ 1,510,746	\$ 1,009,129	\$ 2,519,875

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

TOWN OF CENTERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Local Road and Street	Cumulative Capital Development	Economic Development	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 353,010	\$ -	\$ 14,219	\$ -	\$ 53,610	\$ 420,839
Licenses and permits	11,281	-	-	-	280	11,561
Intergovernmental	141,926	24,506	2,227	40,480	211,234	420,373
Charges for services	117,146	-	-	-	11,654	128,800
Fines and forfeits	450	-	-	-	3,221	3,671
Other	12,841	-	-	-	59,298	72,139
Total receipts	636,654	24,506	16,446	40,480	339,297	1,057,383
Disbursements:						
General government	233,615	-	-	-	53,080	286,695
Public safety	203,835	-	-	-	59,949	263,784
Highways and streets	-	-	-	-	187,044	187,044
Sanitation	94,136	-	-	-	-	94,136
Economic development	1,852	-	-	-	15,937	17,789
Urban redevelopment and housing	-	-	-	-	3,082	3,082
Debt service:						
Principal	-	-	-	-	30,000	30,000
Interest	-	-	-	-	7,250	7,250
Total disbursements	533,438	-	-	-	356,342	889,780
Excess (deficiency) of receipts over disbursements	103,216	24,506	16,446	40,480	(17,045)	167,603
Other financing sources (uses):						
Transfers in	-	-	-	-	18,000	18,000
Transfers out	(18,000)	-	-	-	-	(18,000)
Other receipts	19,356	-	-	-	94	19,450
Total other financing sources (uses)	1,356	-	-	-	18,094	19,450
Excess of receipts and other financing sources over disbursements and other financing uses	104,572	24,506	16,446	40,480	1,049	187,053
Cash and investment fund balance - beginning	354,973	166,089	162,192	103,239	537,200	1,323,693
Cash and investment fund balance - ending	<u>\$ 459,545</u>	<u>\$ 190,595</u>	<u>\$ 178,638</u>	<u>\$ 143,719</u>	<u>\$ 538,249</u>	<u>\$ 1,510,746</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 459,545	\$ -	\$ -	\$ -	\$ -	\$ 459,545
Restricted assets:						
Cash and investments	-	190,595	178,638	143,719	538,249	1,051,201
Total cash and investment assets - December 31	\$ 459,545	\$ 190,595	\$ 178,638	\$ 143,719	\$ 538,249	\$ 1,510,746
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ 190,595	\$ -	\$ -	\$ 148,687	\$ 339,282
Public safety	-	-	-	-	74,061	74,061
Culture and recreation	-	-	-	-	645	645
Health and welfare	-	-	-	-	105,904	105,904
Debt service	-	-	-	-	29,725	29,725
Other purposes	-	-	178,638	143,719	179,227	501,584
Unrestricted	459,545	-	-	-	-	459,545
Total cash and investment fund balance - December 31	\$ 459,545	\$ 190,595	\$ 178,638	\$ 143,719	\$ 538,249	\$ 1,510,746

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

TOWN OF CENTERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2005

	Water Utility	Wastewater Utility	Electric Utility	Storm Water Utility	Total
Operating receipts:					
Metered water receipts:					
Residential	\$ 275,306	\$ 419,734	\$ 959,290	\$ -	\$ 1,654,330
Commercial	-	-	648,071	-	648,071
Penalties	393	3,089	9,798	-	13,280
Flat rate receipts	-	-	-	281,273	281,273
Insurance proceeds	-	7,520	-	-	7,520
Other	29,241	60,532	102,649	1,744,001	1,936,423
	<u>304,940</u>	<u>490,875</u>	<u>1,719,808</u>	<u>2,025,274</u>	<u>4,540,897</u>
Total operating receipts					
Operating disbursements:					
Equipment and capital improvements	-	-	-	1,487,729	1,487,729
Salaries and wages	114,253	121,740	74,507	-	310,500
Employee pensions and benefits	13,782	15,050	8,914	-	37,746
Purchased water	-	926	-	-	926
Purchased power	12,526	40,081	1,169,541	-	1,222,148
Sludge removal	-	21,317	-	-	21,317
Fuel for power production	-	-	42,838	-	42,838
Chemicals	1,137	7,129	-	-	8,266
Material and supplies	16,234	8,149	27,987	3,061	55,431
Contractual services	25,538	27,141	218,081	365,178	635,938
Transportation disbursements	7,715	2,727	-	-	10,442
Insurance disbursements	40,886	44,462	31,993	-	117,341
Miscellaneous disbursements	53,904	77,236	164,541	49,469	345,150
	<u>285,975</u>	<u>365,958</u>	<u>1,738,402</u>	<u>1,905,437</u>	<u>4,295,772</u>
Total operating disbursements					
Excess (deficiency) of operating receipts over operating disbursements	<u>18,965</u>	<u>124,917</u>	<u>(18,594)</u>	<u>119,837</u>	<u>245,125</u>
Nonoperating receipts (disbursements):					
Interest and investment receipts	1,424	6,595	2,751	8,649	19,419
Debt service of principal	(39,000)	(110,000)	-	(35,000)	(184,000)
Interest and investment disbursement	(31,152)	(3,700)	-	(52,974)	(87,826)
	<u>(68,728)</u>	<u>(107,105)</u>	<u>2,751</u>	<u>(79,325)</u>	<u>(252,407)</u>
Total nonoperating receipts (disbursements)					
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(49,763)	17,812	(15,843)	40,512	(7,282)
Capital contributions	200,000	-	-	-	200,000
Transfers in	105,202	178,182	209,199	98,126	590,709
Transfers out	(105,202)	(278,182)	(109,199)	(98,126)	(590,709)
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	150,237	(82,188)	84,157	40,512	192,718
Cash and investment fund balance - beginning	<u>138,912</u>	<u>299,880</u>	<u>348,052</u>	<u>29,567</u>	<u>816,411</u>
Cash and investment fund balance - ending	<u>\$ 289,149</u>	<u>\$ 217,692</u>	<u>\$ 432,209</u>	<u>\$ 70,079</u>	<u>\$ 1,009,129</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 25,218	\$ 203,993	\$ 355,805	\$ 60,801	\$ 645,817
Restricted assets:					
Cash and investments	<u>263,931</u>	<u>13,699</u>	<u>76,404</u>	<u>9,278</u>	<u>363,312</u>
Total cash and investment assets - December 31	<u>\$ 289,149</u>	<u>\$ 217,692</u>	<u>\$ 432,209</u>	<u>\$ 70,079</u>	<u>\$ 1,009,129</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ 3,175	\$ -	\$ 9,278	\$ 12,453
Other purposes	263,931	10,524	76,404	-	350,859
Unrestricted	<u>25,218</u>	<u>203,993</u>	<u>355,805</u>	<u>60,801</u>	<u>645,817</u>
Total cash and investment fund balance - December 31	<u>\$ 289,149</u>	<u>\$ 217,692</u>	<u>\$ 432,209</u>	<u>\$ 70,079</u>	<u>\$ 1,009,129</u>

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

TOWN OF CENTERVILLE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH
AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	Agency Funds
Additions:	
Agency fund additions	\$ 918,623
Deductions:	
Agency fund deductions	929,185
Deficiency of total additions under total deductions	(10,562)
Cash and investment fund balance - beginning	(366)
Cash and investment fund balance - ending	\$ (10,928)

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

TOWN OF CENTERVILLE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2006

Functions/Programs	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
General government	\$ 379,011	\$ 34,533	\$ -	\$ (344,478)	\$ -	\$ (344,478)
Public safety	365,079	97,078	2,100	(265,901)	-	(265,901)
Highways and streets	175,730	7,748	-	(167,982)	-	(167,982)
Sanitation	31,571	-	-	(31,571)	-	(31,571)
Economic development	31,279	-	16,144	(15,135)	-	(15,135)
Urban housing	564	-	-	(564)	-	(564)
Interest on long-term debt	5,750	-	-	(5,750)	-	(5,750)
Total governmental activities	988,984	139,359	18,244	(831,381)	-	(831,381)
Business-type activities:						
Water	1,867,177	309,977	-	-	(1,557,200)	(1,557,200)
Wastewater	1,516,763	457,009	-	-	(1,059,754)	(1,059,754)
Electric	1,789,806	1,687,914	-	-	(101,892)	(101,892)
Storm water	138,105	161,361	-	-	23,256	23,256
Total business-type activities	5,311,851	2,616,261	-	-	(2,695,590)	(2,695,590)
Total primary government	\$ 6,300,835	\$ 2,755,620	\$ 18,244	(831,381)	(2,695,590)	(3,526,971)
General receipts:						
Property taxes				435,041	-	435,041
Financial institutions tax				17,113	-	17,113
Riverboat sharing				15,273	-	15,273
Economic development income tax				46,810	-	46,810
Auto and aircraft excise tax				42,156	-	42,156
Certified shares				86,638	-	86,638
Commercial vehicle excise tax				4,074	-	4,074
Liquor excise tax				1,350	-	1,350
Liquor gallonage tax				119,334	-	119,334
Cigarette tax				11,035	-	11,035
Other local sources				273,325	-	273,325
Grants and contributions not restricted to specific programs				-	2,649,165	2,649,165
Unrestricted investment earnings				27,949	20,800	48,749
Total general receipts				1,080,098	2,669,965	3,750,063
Change in net assets				248,717	(25,625)	223,092
Net assets - beginning				1,510,746	1,009,129	2,519,875
Net assets - ending				\$ 1,759,463	\$ 983,504	\$ 2,742,967
Assets						
Cash and investments				\$ 347,577	\$ 775,704	\$ 1,123,281
Restricted assets:						
Cash and investments				1,411,886	207,800	1,619,686
Total assets				\$ 1,759,463	\$ 983,504	\$ 2,742,967
Net Assets						
Restricted for:						
Highways and streets				\$ 372,442	\$ -	\$ 372,442
Public safety				308,267	-	308,267
Culture and recreation				9,985	-	9,985
Health and welfare				115,284	-	115,284
Debt service				17,678	13,327	31,005
Other purposes				588,230	194,473	782,703
Unrestricted				347,577	775,704	1,123,281
Total net assets				\$ 1,759,463	\$ 983,504	\$ 2,742,967

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

TOWN OF CENTERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	General	Local Road and Street	Cumulative Capital Development	Economic Development	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 309,000	\$ -	\$ 14,607	\$ -	\$ 111,434	\$ 435,041
Licenses and permits	5,661	-	-	-	350	6,011
Intergovernmental	139,697	23,511	2,194	46,810	149,816	362,028
Charges for services	120,807	-	-	-	7,930	128,737
Fines and forfeits	250	-	-	-	4,361	4,611
Other	6,928	-	-	-	266,397	273,325
Total receipts	582,343	23,511	16,801	46,810	540,288	1,209,753
Disbursements:						
General government	376,748	-	97	-	2,166	379,011
Public safety	240,461	-	-	-	94,618	335,079
Highways and streets	-	-	-	-	175,730	175,730
Sanitation	31,571	-	-	-	-	31,571
Economic development	2,927	-	-	28,353	-	31,280
Urban redevelopment and housing	-	-	-	-	564	564
Debt service:						
Principal	-	-	-	-	30,000	30,000
Interest	-	-	-	-	5,750	5,750
Total disbursements	651,707	-	97	28,353	308,828	988,985
Excess (deficiency) of receipts over disbursements	(69,364)	23,511	16,704	18,457	231,460	220,768
Other financing sources (uses):						
Transfers in	-	-	-	-	126,100	126,100
Transfers out	(70,000)	-	-	-	(56,100)	(126,100)
Other receipts	27,396	-	-	-	553	27,949
Total other financing sources (uses)	(42,604)	-	-	-	70,553	27,949
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(111,968)	23,511	16,704	18,457	302,013	248,717
Cash and investment fund balance - beginning	459,545	190,595	178,638	143,719	538,249	1,510,746
Cash and investment fund balance - ending	<u>\$ 347,577</u>	<u>\$ 214,106</u>	<u>\$ 195,342</u>	<u>\$ 162,176</u>	<u>\$ 840,262</u>	<u>\$ 1,759,463</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 347,577	\$ -	\$ -	\$ -	\$ -	\$ 347,577
Restricted assets:						
Cash and investments	-	214,106	195,342	162,176	840,262	1,411,886
Total cash and investment assets - December 31	<u>\$ 347,577</u>	<u>\$ 214,106</u>	<u>\$ 195,342</u>	<u>\$ 162,176</u>	<u>\$ 840,262</u>	<u>\$ 1,759,463</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ 214,106	\$ -	\$ -	\$ 158,336	\$ 372,442
Public safety	-	-	-	-	308,267	308,267
Culture and recreation	-	-	-	-	9,985	9,985
Health and welfare	-	-	-	-	115,284	115,284
Debt services	-	-	-	-	17,678	17,678
Other purposes	-	-	195,342	162,176	230,712	588,230
Unrestricted	347,577	-	-	-	-	347,577
Total cash and investment fund balance - December 31	<u>\$ 347,577</u>	<u>\$ 214,106</u>	<u>\$ 195,342</u>	<u>\$ 162,176</u>	<u>\$ 840,262</u>	<u>\$ 1,759,463</u>

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

TOWN OF CENTERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2006

	Water Utility	Wastewater Utility	Electric Utility	Storm Water Utility	Total
Operating receipts:					
Metered water receipts:					
Residential	\$ 272,398	\$ 455,270	\$ 1,036,428	\$ -	\$ 1,764,096
Commercial	-	-	642,149	-	642,149
Fire protection receipts	35,211	-	-	-	35,211
Penalties	2,368	1,739	9,338	1,144	14,589
Flat rate receipts	-	-	-	160,217	160,217
Other	1,417,274	1,116,507	114,916	468	2,649,165
Total operating receipts	1,727,251	1,573,516	1,802,831	161,829	5,265,427
Operating disbursements:					
Salaries and wages	107,833	138,835	79,131	-	325,799
Employee pensions and benefits	13,215	17,635	9,631	-	40,481
Purchased water	-	880	-	-	880
Purchased power	14,777	35,187	1,241,991	-	1,291,955
Sludge removal	-	10,057	-	-	10,057
Fuel for power production	-	-	45,041	-	45,041
Chemicals	6,600	6,455	-	-	13,055
Material and supplies	15,064	13,456	35,951	774	65,245
Contractual services	176,803	330,123	184,506	10,890	702,322
Transportation disbursements	6,977	4,948	-	-	11,925
Insurance disbursements	55,783	69,474	43,954	695	169,906
Miscellaneous disbursements	1,395,260	867,976	149,601	30,671	2,443,508
Total operating disbursements	1,792,312	1,495,026	1,789,806	43,030	5,120,174
Excess (deficiency) of operating receipts over operating disbursements	(65,061)	78,490	13,025	118,799	145,253
Nonoperating receipts (disbursements):					
Interest and investment receipts	10,596	5,990	3,997	217	20,800
Debt service of principal	(40,000)	(10,077)	-	(40,000)	(90,077)
Debt service interest	(29,865)	(7,966)	-	(55,075)	(92,906)
Interest and investment disbursement	(5,000)	(3,695)	-	-	(8,695)
Total nonoperating receipts (disbursements)	(64,269)	(15,748)	3,997	(94,858)	(170,878)
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(129,330)	62,742	17,022	23,941	(25,625)
Transfers in	81,060	57,492	25,125	95,948	259,625
Transfers out	(81,060)	(57,492)	(25,125)	(95,948)	(259,625)
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(129,330)	62,742	17,022	23,941	(25,625)
Cash and investment fund balance - beginning	289,149	217,692	432,209	70,079	1,009,129
Cash and investment fund balance - ending	<u>\$ 159,819</u>	<u>\$ 280,434</u>	<u>\$ 449,231</u>	<u>\$ 94,020</u>	<u>\$ 983,504</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 51,968	\$ 267,195	\$ 372,673	\$ 83,868	\$ 775,704
Restricted assets:					
Cash and investments	107,851	13,239	76,558	10,152	207,800
Total cash and investment assets - December 31	<u>\$ 159,819</u>	<u>\$ 280,434</u>	<u>\$ 449,231</u>	<u>\$ 94,020</u>	<u>\$ 983,504</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ 3,175	\$ -	\$ 10,152	\$ 13,327
Other purposes	107,851	10,064	76,558	-	194,473
Unrestricted	51,968	267,195	372,673	83,868	775,704
Total cash and investment fund balance - December 31	<u>\$ 159,819</u>	<u>\$ 280,434</u>	<u>\$ 449,231</u>	<u>\$ 94,020</u>	<u>\$ 983,504</u>

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

TOWN OF CENTERVILLE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH
AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2006

	<u>Agency Funds</u>
Additions:	
Contributions:	
Agency fund additions	\$ <u>854,564</u>
 Deductions:	
Agency fund deductions	<u>840,122</u>
 Excess of total additions over total deductions	 14,442
 Cash and investment fund balance - beginning	 <u>(10,928)</u>
 Cash and investment fund balance - ending	 <u><u>\$ 3,514</u></u>

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

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS

I. 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 the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, electric, water, wastewater, storm water, and urban redevelopment and housing.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The economic development income tax fund is used to account for all financial resources used for developing the economy of the Town.

The cumulative capital development fund is used to account for all financial resources used to purchase capital assets for the Town.

The local road and street fund is used to account for all financial resources used to maintain the roads in the Town.

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The electric utility fund accounts for the operation of the electric distribution system.

The storm water utility fund accounts for the operation of the storm water collection system.

Additionally, the Town reports the following fund type:

Agency funds account for assets held by the Town as an agent for other governmental agencies and private companies.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments (2) law through constitutional provisions or enabling legislations.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

On or before August 31, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2006, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2006
Fire Truck Debt	\$ 144
Cumulative Capital Development	<u>97</u>
 Total	 <u>\$ 241</u>

These disbursements were funded by excess cash on hand.

C. Cash and Investment Balance Deficits

At December 31, 2005 and 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and State statute:

Fund	2005	2006
Net Salaries	\$ 1	\$ 1
Federal Withholding	126	126
FICA Withholding	162	162
PERF Withholding	4,615	3,408
Health Insurance	11,142	-
Sewage Utility - Storm Water Fund	874	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the improper amounts being transferred for payroll transactions.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2005 and 2006, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>	<u>2006</u>
General	Other governmental	\$ 18,000	\$ 70,000
Other governmental	Other governmental	-	<u>56,100</u>
Totals		<u>\$ 18,000</u>	<u>\$ 126,100</u>

The Town typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the rainy day fund to save money for future needs.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Town is 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 (excluding postemployment benefits) and natural disasters.

The risks of 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 (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three. There were no significant reductions in insurance by major category of risk.

B. Rate Structure – Enterprise Funds

Water Utility

On April 3, 2001, the Town Council adopted Ordinance No. 2001-02 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on August 29, 2002.

Wastewater Utility

The current rate structure was approved by the Town Council on July 25, 2006.

Electric Utility

On April 3, 2001, the Town Council adopted Ordinance No. 2001-02 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on December 4, 2002.

Storm Water Utility

The current rate structure was approved by the Town Council on May 11, 2004.

C. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the 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.

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The 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 plan members for PERF are established by the Board of Trustees of PERF. The Town's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 23,673
Interest on net pension obligation	(880)
Adjustment to annual required contribution	1,003
Annual pension cost	23,796
Contributions made	24,208
Decrease in net pension obligation	(412)
Net pension obligation, beginning of year	(12,142)
Net pension obligation, end of year	\$ (12,554)

TOWN OF CENTERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>PERF</u>
Contribution rates:	
Town	5.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected Actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
	<u>Ending</u>	<u>Pension Cost</u>	<u>of APC</u>	<u>Pension</u>
		<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
PERF	06-30-04	\$ 27,481	80%	\$ (11,745)
	06-30-05	22,700	102%	(12,142)
	06-30-06	23,796	107%	(12,554)

TOWN OF CENTERVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 508,967	\$ 515,023	\$ (6,056)	99%	\$ 480,192	(1%)
07-01-05	527,121	566,829	(39,708)	93%	413,622	(10%)
07-01-06	642,895	616,912	25,983	104%	517,223	5%

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Riverboat	Rainy Day	Fire Truck Debt	Fire Department Donations	Police Department Donations	Water Project County
Receipts:						
Taxes	\$ -	\$ -	\$ 21,100	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	15,304	-	3,304	-	-	91,069
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	120	279	-
Total receipts	15,304	-	24,404	120	279	91,069
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	297	-
Highways and streets	-	-	-	-	-	20,620
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	30,000	-	-	-
Interest	-	-	7,250	-	-	-
Total disbursements	-	-	37,250	-	297	20,620
Excess (deficiency) of receipts over disbursements	15,304	-	(12,846)	120	(18)	70,449
Other financing sources (uses):						
Transfers in	-	18,000	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	18,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,304	18,000	(12,846)	120	(18)	70,449
Cash and investment fund balance - beginning	30,651	29,420	42,571	10,785	3,427	-
Cash and investment fund balance - ending	<u>\$ 45,955</u>	<u>\$ 47,420</u>	<u>\$ 29,725</u>	<u>\$ 10,905</u>	<u>\$ 3,409</u>	<u>\$ 70,449</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 45,955</u>	<u>\$ 47,420</u>	<u>\$ 29,725</u>	<u>\$ 10,905</u>	<u>\$ 3,409</u>	<u>\$ 70,449</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	10,905	3,409	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	70,449
Debt service	-	-	29,725	-	-	-
Other purposes	45,955	47,420	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 45,955</u>	<u>\$ 47,420</u>	<u>\$ 29,725</u>	<u>\$ 10,905</u>	<u>\$ 3,409</u>	<u>\$ 70,449</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Beautification	Police Department Court Returns	Motor Vehicle Highway	Highway Service	Grant 154 AI 05-03-03-63	Local Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ -	\$ 13,417	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	280
Intergovernmental	-	-	77,958	-	1,150	-
Charges for services	-	-	-	11,537	-	117
Fines and forfeits	-	3,221	-	-	-	-
Other	625	-	5,194	-	-	-
Total receipts	625	3,221	96,569	11,537	1,150	397
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	2,856	-	132	-	1,186
Highways and streets	-	-	166,424	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	-	2,856	166,424	132	-	1,186
Excess (deficiency) of receipts over disbursements	625	365	(69,855)	11,405	1,150	(789)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Other receipts	-	-	94	-	-	-
Total other financing sources (uses)	-	-	94	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	625	365	(69,761)	11,405	1,150	(789)
Cash and investment fund balance - beginning	20	18,244	202,752	4,291	350	3,094
Cash and investment fund balance - ending	<u>\$ 645</u>	<u>\$ 18,609</u>	<u>\$ 132,991</u>	<u>\$ 15,696</u>	<u>\$ 1,500</u>	<u>\$ 2,305</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 645</u>	<u>\$ 18,609</u>	<u>\$ 132,991</u>	<u>\$ 15,696</u>	<u>\$ 1,500</u>	<u>\$ 2,305</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ 132,991	\$ 15,696	\$ -	\$ -
Public safety	-	18,609	-	-	1,500	2,305
Culture and recreation	645	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 645</u>	<u>\$ 18,609</u>	<u>\$ 132,991</u>	<u>\$ 15,696</u>	<u>\$ 1,500</u>	<u>\$ 2,305</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	CCIF - Special Fire	CCI Cigarette Tax	Build Indiana	Federal Housing Grant	Grant OP 06-03-05-33	Adopt-A-Class Police Department
Receipts:						
Taxes	\$ 19,093	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,989	8,338	-	10,472	650	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>22,082</u>	<u>8,338</u>	<u>-</u>	<u>10,472</u>	<u>650</u>	<u>-</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	46,100	-	-	-	-	69
Highways and streets	-	-	-	-	-	-
Economic development	-	-	15,937	-	-	-
Urban redevelopment and housing	-	-	-	3,082	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	<u>46,100</u>	<u>-</u>	<u>15,937</u>	<u>3,082</u>	<u>-</u>	<u>69</u>
Excess (deficiency) of receipts over disbursements	<u>(24,018)</u>	<u>8,338</u>	<u>(15,937)</u>	<u>7,390</u>	<u>650</u>	<u>(69)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(24,018)</u>	<u>8,338</u>	<u>(15,937)</u>	<u>7,390</u>	<u>650</u>	<u>(69)</u>
Cash and investment fund balance - beginning	<u>60,971</u>	<u>68,229</u>	<u>24,395</u>	<u>28,065</u>	<u>-</u>	<u>69</u>
Cash and investment fund balance - ending	<u>\$ 36,953</u>	<u>\$ 76,567</u>	<u>\$ 8,458</u>	<u>\$ 35,455</u>	<u>\$ 650</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 36,953</u>	<u>\$ 76,567</u>	<u>\$ 8,458</u>	<u>\$ 35,455</u>	<u>\$ 650</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	36,953	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	35,455	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	76,567	8,458	-	650	-
Total cash and investment fund balance - December 31	<u>\$ 36,953</u>	<u>\$ 76,567</u>	<u>\$ 8,458</u>	<u>\$ 35,455</u>	<u>\$ 650</u>	<u>\$ -</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Police Department Reserve	Police Department Grant	Park Bridge	Law Enforcement Block Grant	Police Department Grant 01 LB 060	Police Department Grant 154AL04030392
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	50	125	-	2,555	1,999	1,500
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	50	125	-	2,555	1,999	1,500
Excess (deficiency) of receipts over disbursements	(50)	(125)	-	(2,555)	(1,999)	(1,500)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50)	(125)	-	(2,555)	(1,999)	(1,500)
Cash and investment fund balance - beginning	50	125	177	2,555	1,999	1,500
Cash and investment fund balance - ending	\$ -	\$ -	\$ 177	\$ -	\$ -	\$ -
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ -	\$ -	\$ 177	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	177	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ -	\$ 177	\$ -	\$ -	\$ -

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Police Department Grant 154AL04040401	Grant J8 03-0	Grant BC 02-0	Insurance Reimbursement	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 53,610
Licenses and permits	-	-	-	-	280
Intergovernmental	-	-	-	-	211,234
Charges for services	-	-	-	-	11,654
Fines and forfeits	-	-	-	-	3,221
Other	-	-	-	53,080	59,298
Total receipts	-	-	-	53,080	339,297
Disbursements:					
General government	-	-	-	53,080	53,080
Public safety	-	1,080	2,000	-	59,949
Highways and streets	-	-	-	-	187,044
Economic development	-	-	-	-	15,937
Urban redevelopment and housing	-	-	-	-	3,082
Debt service:					
Principal	-	-	-	-	30,000
Interest	-	-	-	-	7,250
Total disbursements	-	1,080	2,000	53,080	356,342
Excess (deficiency) of receipts over disbursements	-	(1,080)	(2,000)	-	(17,045)
Other financing sources (uses):					
Transfers in	-	-	-	-	18,000
Other receipts	-	-	-	-	94
Total other financing sources (uses)	-	-	-	-	18,094
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,080)	(2,000)	-	1,049
Cash and investment fund balance - beginning	380	1,080	2,000	-	537,200
Cash and investment fund balance - ending	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,249</u>
Cash and Investment Assets - December 31					
Restricted assets:					
Cash and investments	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,249</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 148,687
Public safety	380	-	-	-	74,061
Culture and recreation	-	-	-	-	645
Health and welfare	-	-	-	-	105,904
Debt service	-	-	-	-	29,725
Other purposes	-	-	-	-	179,227
Total cash and investment fund balance - December 31	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,249</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	<u>Net Salaries</u>	<u>Federal Withholding</u>	<u>FICA Withholding</u>	<u>Medicare Withholding</u>	<u>State Tax Withholding</u>	<u>County Tax Withholding</u>
Additions:						
Agency fund additions	\$ 487,946	\$ 68,024	\$ 81,639	\$ 19,421	\$ 18,925	\$ 8,192
Deductions:						
Agency fund deductions	<u>487,946</u>	<u>68,024</u>	<u>81,977</u>	<u>19,172</u>	<u>18,098</u>	<u>7,838</u>
Excess (deficiency) of total additions over total deductions	-	-	(338)	249	827	354
Cash and investment fund balance - beginning	<u>(1)</u>	<u>(126)</u>	<u>176</u>	<u>254</u>	<u>2,722</u>	<u>583</u>
Cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ (126)</u>	<u>\$ (162)</u>	<u>\$ 503</u>	<u>\$ 3,549</u>	<u>\$ 937</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	<u>PERF Withholding</u>	<u>Health Insurance</u>	<u>Payroll Unemployment</u>	<u>Payroll Garnishment</u>	<u>Total</u>
Additions:					
Agency fund additions	\$ 40,797	\$ 188,404	\$ 3,076	\$ 2,199	\$ 918,623
Deductions:					
Agency fund deductions	<u>41,309</u>	<u>199,546</u>	<u>3,076</u>	<u>2,199</u>	<u>929,185</u>
Excess (deficiency) of total additions over total deductions	(512)	(11,142)	-	-	(10,562)
Cash and investment fund balance - beginning	<u>(4,103)</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>(366)</u>
Cash and investment fund balance - ending	<u>\$ (4,615)</u>	<u>\$ (11,142)</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ (10,928)</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006

	Riverboat	Rainy Day	Fire Truck Debt	Fire Department Donations	Police Department Donations	Water Project County
Receipts:						
Taxes	\$ -	\$ -	\$ 20,732	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	15,272	-	3,115	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	2,655	940	-
Total receipts	15,272	-	23,847	2,655	940	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	144	5,035	800	-
Highways and streets	-	-	-	-	-	6,200
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	30,000	-	-	-
Interest	-	-	5,750	-	-	-
Total disbursements	-	-	35,894	5,035	800	6,200
Excess (deficiency) of receipts over disbursements	15,272	-	(12,047)	(2,380)	140	(6,200)
Other financing sources (uses):						
Transfers in	-	80,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	80,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,272	80,000	(12,047)	(2,380)	140	(6,200)
Cash and investment fund balance - beginning	45,955	47,420	29,725	10,905	3,409	70,449
Cash and investment fund balance - ending	\$ 61,227	\$ 127,420	\$ 17,678	\$ 8,525	\$ 3,549	\$ 64,249
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ 61,227	\$ 127,420	\$ 17,678	\$ 8,525	\$ 3,549	\$ 64,249
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	8,525	3,549	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	64,249
Debt service	-	-	17,678	-	-	-
Other purposes	61,227	127,420	-	-	-	-
Total cash and investment fund balance - December 31	\$ 61,227	\$ 127,420	\$ 17,678	\$ 8,525	\$ 3,549	\$ 64,249

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Beautification	Police Department Court Returns	Motor Vehicle Highway	Highway Service	Grant 154 AI 05-03-03-63	Improvement Park Restrooms
Receipts:						
Taxes	\$ -	\$ -	\$ 71,089	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	101,567	-	-	-
Charges for services	-	-	-	7,748	-	-
Fines and forfeits	-	4,361	-	-	-	-
Other	-	-	-	-	-	9,340
Total receipts	-	4,361	172,656	7,748	-	9,340
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	10,160	-	220	-	-
Highways and streets	-	-	161,072	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	-	10,160	161,072	220	-	-
Excess (deficiency) of receipts over disbursements	-	(5,799)	11,584	7,528	-	9,340
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(10,000)	-	-	-
Other receipts	-	-	537	-	-	-
Total other financing sources (uses)	-	-	(9,463)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,799)	2,121	7,528	-	9,340
Cash and investment fund balance - beginning	645	18,609	132,991	15,696	1,500	-
Cash and investment fund balance - ending	<u>645</u>	<u>12,810</u>	<u>135,112</u>	<u>23,224</u>	<u>1,500</u>	<u>9,340</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>645</u>	<u>12,810</u>	<u>135,112</u>	<u>23,224</u>	<u>1,500</u>	<u>9,340</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ 135,112	\$ 23,224	\$ -	\$ -
Public safety	-	12,810	-	-	1,500	-
Culture and recreation	645	-	-	-	-	9,340
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>645</u>	<u>12,810</u>	<u>135,112</u>	<u>23,224</u>	<u>1,500</u>	<u>9,340</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Local Law Enforcement Continuing Education	CCIF - Special Fire	CCI Cigarette Tax	Build Indiana	Federal Housing Grant	Grant OP 06-02-05-33
Receipts:						
Taxes	\$ -	\$ 19,613	\$ -	\$ -	\$ -	\$ -
Licenses and permits	350	-	-	-	-	-
Intergovernmental	-	2,947	8,671	-	16,144	2,100
Charges for services	182	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	532	22,560	8,671	-	16,144	2,100
Disbursements:						
General government	-	-	-	-	-	-
Public safety	122	78,137	-	-	-	-
Highways and streets	-	-	-	8,458	-	-
Urban redevelopment and housing	-	-	-	-	564	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	122	78,137	-	8,458	564	-
Excess (deficiency) of receipts over disbursements	410	(55,577)	8,671	(8,458)	15,580	2,100
Other financing sources (uses):						
Transfers in	-	46,100	-	-	-	-
Transfers out	-	-	(46,100)	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	46,100	(46,100)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	410	(9,477)	(37,429)	(8,458)	15,580	2,100
Cash and investment fund balance - beginning	2,305	36,953	76,567	8,458	35,455	650
Cash and investment fund balance - ending	\$ 2,715	\$ 27,476	\$ 39,138	\$ -	\$ 51,035	\$ 2,750
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ 2,715	\$ 27,476	\$ 39,138	\$ -	\$ 51,035	\$ 2,750
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	2,715	27,476	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	51,035	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	39,138	-	-	2,750
Total cash and investment fund balance - December 31	\$ 2,715	\$ 27,476	\$ 39,138	\$ -	\$ 51,035	\$ 2,750

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Park Bridge	Police Department Grant 154AL04040401	Insurance Reimbursement	Fire Department Bonds	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 111,434
Licenses and permits	-	-	-	-	350
Intergovernmental	-	-	-	-	149,816
Charges for services	-	-	-	-	7,930
Fines and forfeits	-	-	-	-	4,361
Other	-	-	2,166	251,296	266,397
Total receipts	-	-	2,166	251,296	540,288
Disbursements:					
General government	-	-	2,166	-	2,166
Public safety	-	-	-	-	94,618
Highways and streets	-	-	-	-	175,730
Urban redevelopment and housing	-	-	-	-	564
Debt service:					
Principal	-	-	-	-	30,000
Interest	-	-	-	-	5,750
Total disbursements	-	-	2,166	-	308,828
Excess (deficiency) of receipts over disbursements	-	-	-	251,296	231,460
Other financing sources (uses):					
Transfers in	-	-	-	-	126,100
Transfers out	-	-	-	-	(56,100)
Other receipts	-	-	-	16	553
Total other financing sources (uses)	-	-	-	16	70,553
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	251,312	302,013
Cash and investment fund balance - beginning	177	380	-	-	538,249
Cash and investment fund balance - ending	<u>\$ 177</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 251,312</u>	<u>\$ 840,262</u>
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	<u>\$ 177</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 251,312</u>	<u>\$ 840,262</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 158,336
Public safety	-	380	-	251,312	308,267
Culture and recreation	-	-	-	-	9,985
Health and welfare	-	-	-	-	115,284
Debt service	-	-	-	-	17,678
Other purposes	177	-	-	-	230,712
Total cash and investment fund balance - December 31	<u>\$ 177</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 251,312</u>	<u>\$ 840,262</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006

	<u>Net Salaries</u>	<u>Federal Withholding</u>	<u>FICA Withholding</u>	<u>Medicare Withholding</u>	<u>State Tax Withholding</u>	<u>County Tax Withholding</u>
Additions:						
Agency fund additions	\$ 448,754	\$ 56,531	\$ 74,065	\$ 17,322	\$ 19,703	\$ 8,508
Deductions:						
Agency fund deductions	<u>448,754</u>	<u>56,531</u>	<u>74,065</u>	<u>17,322</u>	<u>20,227</u>	<u>8,737</u>
Excess (deficiency) of total additions over total deductions	-	-	-	-	(524)	(229)
Cash and investment fund balance - beginning	<u>(1)</u>	<u>(126)</u>	<u>(162)</u>	<u>503</u>	<u>3,549</u>	<u>937</u>
Cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ (126)</u>	<u>\$ (162)</u>	<u>\$ 503</u>	<u>\$ 3,025</u>	<u>\$ 708</u>

TOWN OF CENTERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	<u>PERF Withholding</u>	<u>Health Insurance</u>	<u>Payroll Unemployment</u>	<u>Payroll Garnishment</u>	<u>Levy Excess</u>	<u>Total</u>
Additions:						
Agency fund additions	\$ 42,248	\$ 181,146	\$ 2,579	\$ 875	\$ 2,833	\$ 854,564
Deductions:						
Agency fund deductions	<u>41,041</u>	<u>169,991</u>	<u>2,579</u>	<u>875</u>	<u>-</u>	<u>840,122</u>
Excess (deficiency) of total additions over total deductions	1,207	11,155	-	-	2,833	14,442
Cash and investment fund balance - beginning	<u>(4,615)</u>	<u>(11,142)</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>(10,928)</u>
Cash and investment fund balance - ending	<u>\$ (3,408)</u>	<u>\$ 13</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ 2,833</u>	<u>\$ 3,514</u>

TOWN OF CENTERVILLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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 completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets will occur by December 31, 2008.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 27,200
Buildings	453,308
Improvements other than buildings	21,588
Machinery and equipment	<u>1,372,595</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,874,691</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 17,800
Buildings	53,682
Improvements other than buildings	1,287,717
Machinery and equipment	<u>442,399</u>
Total Water Utility capital assets	<u>1,801,598</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	46,161
Construction in progress	3,400,000
Buildings	2,308,501
Improvements other than buildings	5,311,131
Machinery and equipment	<u>326,781</u>
Total Wastewater Utility capital assets	<u>11,392,574</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	26,000
Buildings	7,180
Improvements other than buildings	386,012
Machinery and equipment	<u>652,830</u>
Total Electric Utility capital assets	<u>1,072,022</u>
Storm Water Utility:	
Capital assets, not being depreciated:	
Construction in progress	<u>1,180,000</u>
Total business-type activities capital assets	<u>\$ 15,446,194</u>

TOWN OF CENTERVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
General obligation bonds:		
Purchase of Fire Truck	\$ 100,000	\$ 30,000
Purchase of Fire Truck	<u>255,000</u>	<u>-</u>
Total governmental activities long-term debt	<u>\$ 355,000</u>	<u>\$ 30,000</u>
Business-type Activities:		
Stormwater Utility		
Revenue bonds:		
Stormwater Utility	<u>1,105,000</u>	<u>42,000</u>

TOWN OF CENTERVILLE
AUDIT RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger for the Water, Wastewater and Electric Utilities.

At all times, the manual and computerized records, subsidiary ledgers, control ledger and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

As stated in the prior Report B26088, in numerous instances, receipts were deposited later than the next business day. The police department receipts were only being deposited at the end of each month.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not certified by the fiscal officer.
- (2) Claims did not have board approval.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct.
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF CENTERVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

BOARD MINUTES

As stated in the prior Report B26088, not all of the board minutes were signed by the Town Council.

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) An additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

OVERDRAWN FUND BALANCES

As stated in the prior Report B26088, several payroll funds have negative fund balances.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONDITION OF RECORDS

As stated in prior Report B26088, not all funds were recorded on the Town's ledger. The Fire Department Bonds Fund was not recorded on the Town's ledger.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 CENTERVILLE, WAYNE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Centerville (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 programs for the years ended December 31, 2005 and 2006. 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; 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 programs for the years ended December 31, 2005 and 2006.

Internal Control Over Compliance

The 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.

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)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

July 2, 2007

TOWN OF CENTERVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended December 31, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-05
<u>U.S. HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Commerce Community Development Block Grants - States Program	14.228	CF-02-139	\$ <u>500,000</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Local Law Enforcement Block Grant	16.592	04-LB-06	<u>503</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	J8 03 0 BC 02 0	1,080 <u>2,000</u>
Total for program			<u>3,080</u>
Total federal awards expended			<u>\$ 503,583</u>

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

TOWN OF CENTERVILLE
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 Centerville (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF CENTERVILLE
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
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	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 Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants – States Program

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF CENTERVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF CENTERVILLE
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Janice L. Roberts, Clerk-Treasurer; and Daniel W. Wandersee, President of the Town Council. The officials concurred with our audit findings.