

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

EXAMINATION REPORT
OF
CITY OF GREENCASTLE
PUTNAM COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
10/08/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Long-Term Debt	7
Examination Results and Comments:	
Park and Recreation Department Condition of Records	8
Customer Deposit Register	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa P. Glenn	01-01-08 to 12-31-11
Mayor	Susan V. Murray	01-01-08 to 12-31-11
President of the Board of Public Works	Susan V. Murray	01-01-08 to 12-31-09
President of the Common Council	John A. Lanie Adam Cohen	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of the Water and Wastewater Utilities	George W. Russell	01-01-08 to 12-31-09
Water Utility Office Manager	Barbara J. Hathaway	01-01-08 to 12-31-09
Wastewater Utility Office Manager	Madonna A. Gose	01-01-08 to 12-31-09



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 ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CITY OF GREENCASTLE, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of City of Greencastle (City), for the period of January 1, 2008 to December 31, 2008. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 2, 2009

CITY OF GREENCASTLE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 858,969	\$ 3,477,461	\$ 3,405,052	\$ 931,378
Motor Vehicle Highway	252,190	738,394	813,092	177,492
Local Road and Street	52,553	54,037	106,590	-
Park and Recreation	80,279	639,524	635,261	84,542
Cemetery Operating	113,478	165,304	257,486	21,296
Law Enforcement Continuing Education	18,755	4,009	6,855	15,909
Park Nonreverting Basketball	15,081	8,925	13,204	10,802
Park Nonreverting Softball	34,736	38,340	39,084	33,992
Economic Development Operating	19,878	-	-	19,878
RICO Law Enforcement	2,777	1,898	-	4,675
Riverboat	311,100	77,376	80,937	307,539
Rainy Day	214,246	253,823	389,849	78,220
Hazmat Nonreverting	329	7	-	336
PEG Access Account	1,380	27	-	1,407
Cemetery Ground Improvement	46,330	53,053	66,583	32,800
Donations	194,194	28,589	166,616	56,167
Firefighters Assistance Grant	337	7	-	344
Fire Department Service Charge Account	12,420	1,505	-	13,925
Local Governmental Grants	6	-	-	6
Tax Increment Financing	1,137,419	15,275	824,271	328,423
Tree Grant	600	12	-	612
General Obligation Bond	6,619	16,313	20,482	2,450
Redevelopment Bond Sinking	199,047	252,352	246,330	205,069
Park Bond Sinking	3,075	74,454	77,529	-
Redevelopment Debt Service Reserve	218,612	3,696	6,360	215,948
Cumulative Capital Improvement	233,815	35,557	17,106	252,266
Cumulative Capital Development	115,694	77,300	75,594	117,400
Cumulative Capital Improvement Special Fire	162,052	211,863	271,899	102,016
Park Nonreverting Capital	21,904	223,711	235,532	10,083
City Hall Nonreverting	112,627	2,197	-	114,824
Economic Development Income Tax	1,049,275	361,563	964,915	445,923
Big Walnut Park Project	1,072	21	-	1,093
Industrial Development	211,010	20,169	40,000	191,179
Redevelopment Capital	9,743	726,333	720,472	15,604
Community Building Center	5,195	101	-	5,296
Escrow	32,872	36,196	-	69,068
Cemetery Trust	28,163	26,459	22,286	32,336
Cemetery Old Mausoleum	12,256	1,330	-	13,586
Proprietary Funds:				
Water Utility - Operating	603,429	3,234,216	3,449,466	388,179
Water Utility - Revenue Bond Accounts	514,834	470,717	282,662	702,889
Water Utility - Customer Deposit	50,476	18,418	20,296	48,598
Wastewater Utility - Operating	743,974	2,478,128	2,587,010	635,092
Wastewater Utility - Revenue Bond Accounts	2,124,316	934,752	576,372	2,482,696
Wastewater Utility - Customer Deposit	42,627	13,850	15,991	40,486
Trash Utility - Operating	197,942	349,934	317,291	230,585
Trash Utility - Customer Deposit	20,139	6,445	7,415	19,169
Fiduciary Funds:				
Police Officers' Pension	48,140	100,337	132,135	16,342
Firefighters' Pension	72,364	116,260	146,687	41,937
Payroll	(2,269)	5,181	-	2,912
Totals	\$ 10,206,060	\$ 15,355,419	\$ 17,038,710	\$ 8,522,768

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

CITY OF GREENCASTLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, general administrative services, water, wastewater, and sanitation.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City 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.

CITY OF GREENCASTLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

CITY OF GREENCASTLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable:		
MVH equipment	\$ 37,628	\$ 17,947
Cemetery vehicles	18,739	8,213
Fire truck	7,913	7,913
Bonds payable:		
General obligation bonds:		
Swimming pool and facility	76,669	76,669
Purchase building/equipment for City Hall	415,000	49,596
Purchase building/equipment for Police Dept.	750,000	40,965
Revenue bond:		
Airport/road improvements	<u>240,000</u>	<u>246,360</u>
Total governmental activities debt	<u>\$ 1,545,949</u>	<u>\$ 447,663</u>
Business-type activities:		
Water Utility:		
Revenue bond:		
Refinancing Bond of 2001	<u>\$ 4,055,000</u>	<u>\$ 430,299</u>
Wastewater Utility:		
Notes and loans payable:		
Vactor	113,405	35,157
Generator	6,032	14,245
Revenue bond:		
Refinancing Bond of 2001	1,365,000	146,236
State revolving fund loan - Wastewater Utility plant	<u>8,560,000</u>	<u>798,756</u>
Total Wastewater Utility	<u>10,044,437</u>	<u>994,394</u>
Total business-type activities debt	<u>\$ 14,099,437</u>	<u>\$ 1,424,693</u>

CITY OF GREENCASTLE
EXAMINATION RESULTS AND COMMENTS

PARK AND RECREATION DEPARTMENT CONDITION OF RECORDS (Applies to City)

While cash register tapes were attached to the daily reports of collection and deposit slips, our review of Park and Recreation pool concession and softball concession stand receipts revealed that the total of the cash register tapes did not always match the bank deposits.

Pool and softball concession stand workers should reconcile the cash to be deposited with the total on the cash register tape and provide an explanation for any differences. Deposits which are short may be the personal responsibility of the workers or City management.

At all times, the manual and/or 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)

CUSTOMER DEPOSIT REGISTER (Applies to the Utilities)

For the Water, Wastewater, and Trash Utilities, the detailed customer deposit register does not reconcile with the amount recorded for customer deposits in the General Ledger. As of December 31, 2008, the customer deposits for the Water, Wastewater and Trash Utilities per the General Ledger were \$7,057, \$2,953 and \$1,902, respectively, in excess of the detailed customer deposit register for each Utility.

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)

CITY OF GREENCASTLE
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2009, with Teresa P. Glenn, Clerk-Treasurer; Susan V. Murray, Mayor; Rod M. Weinschenk, Park and Recreation Director; Terry J. Smith; Common Council member, and Adam Cohen, President of the Common Council. The officials concurred with our findings.