

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

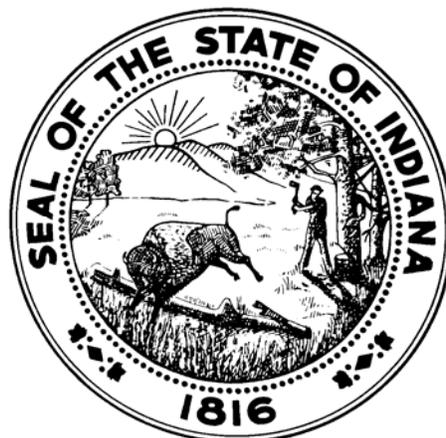
AUDIT REPORT

OF

TOWN OF EDINBURGH

JOHNSON COUNTY, INDIANA

January 1, 2003 to December 31, 2004



FILED

04/11/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jackie Smith	01-01-01 to 12-31-07
President of the Town Council	Gregory Stinson	01-01-03 to 12-31-03
	Jeffrey Simpson	01-01-04 to 12-31-04
	Bill Davis	01-01-05 to 12-31-07
Electric Superintendent	Darrell Burton	01-01-03 to 12-31-07
Water Superintendent	Mike Pendleton	01-01-03 to 12-31-07
Wastewater Superintendent	Glen Giles	01-01-03 to 12-31-07



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

TO: THE OFFICIALS OF THE TOWN OF EDINBURGH, JOHNSON 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 Edinburgh (Town), as of and for the years ended December 31, 2003 and 2004, 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.

Except as described below, 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.

We were unable to audit the note disclosure relating to capital assets of the Town due to lack of capital asset records; nor were we able to satisfy ourselves as to the value of the capital assets by other auditing procedures.

In our opinion, except for the effects of such adjustments if any, as might have been determined to be necessary had we been able to examine evidence regarding capital assets, 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, 2003 and 2004, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

The Water, Wastewater, and Electric Utilities did not maintain sufficient capital asset records. Due to the lack of supporting documentation, capital asset valuation cannot be verified. As the capital assets constitute the major portion of the Balance Sheet, any uncertainty concerning capital assets similarly affects the Balance Sheet.

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

In our opinion, except for the effects, if any, of the deficiency in capital assets records discussed in the preceding paragraph, the financial statements of the enterprise funds present fairly, in all material respects, the financial position of each major proprietary funds as of December 31, 2003 and 2004, and the respective changes in financial position and cash flows, where applicable, thereof and for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with Government Auditing Standards, we have also issued a report dated March 26, 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.

The Schedule of Funding Progress, as listed in the table of contents, is not a required part of the basic financial statement 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 Schedule, as listed in the table of contents, Schedule of Long-Term Debt is presented for additional analysis and is not a required part of the basic financial statements. The Combining Schedule, as listed in the table of contents, has 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.

STATE BOARD OF ACCOUNTS

March 26, 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 EDINBURGH, JOHNSON COUNTY, INDIANA

We have audited the financial statements of the Town of Edinburgh (Town), as of and for the years ended December 31, 2003 and 2004, and have issued our report thereon dated March 26, 2007. The opinion to the financial statements was qualified. 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.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the Town on March 26, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

March 26, 2007

TOWN OF EDINBURGH
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2003

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 965,837	\$ 91,727	\$ 9,183	\$ 22,838	\$ (842,089)	\$ -	\$ (842,089)
Public safety	1,025,346	11,585	442	-	(1,013,319)	-	(1,013,319)
Highways and streets	758,442	6,948	228,846	-	(522,648)	-	(522,648)
Sanitation	194,202	28,336	-	-	(165,866)	-	(165,866)
Culture and recreation	1,595,900	1,160,899	11,315	-	(423,686)	-	(423,686)
Urban redevelopment and housing	231,563	-	-	212,962	(18,601)	-	(18,601)
Debt service	486,876	4,906	-	-	(481,970)	-	(481,970)
Capital outlay	67,002	-	-	24,813	(42,189)	-	(42,189)
Total governmental activities	5,325,168	1,304,401	249,786	260,613	(3,510,368)	-	(3,510,368)
Business-type activities:							
Water	607,659	651,363	-	-	-	43,704	43,704
Wastewater	1,342,872	1,066,848	-	-	-	(276,024)	(276,024)
Electric	4,812,315	5,174,583	-	-	-	362,268	362,268
Total business-type activities	6,762,846	6,892,794	-	-	-	129,948	129,948
Total primary government	\$ 12,088,014	\$ 8,197,195	\$ 249,786	\$ 260,613	(3,510,368)	129,948	(3,380,420)
General receipts:							
Property taxes					2,362,495	-	2,362,495
Other local sources					1,139,769	-	1,139,769
Temporary and interfund loans					900,000	(900,000)	-
Unrestricted investment earnings					6,273	35,377	41,650
Special items:							
Temporary and interfund loan repayments					(900,000)	900,000	-
Total general receipts and special items					3,508,537	35,377	3,543,914
Change in net assets					(1,831)	165,325	163,494
Net assets - beginning					1,829,020	2,808,023	4,637,043
Net assets - ending					\$ 1,827,189	\$ 2,973,348	\$ 4,800,537
Assets							
Cash and investments					\$ 357,087	\$ 1,380,848	\$ 1,737,935
Restricted assets:							
Cash and investments					1,470,102	1,592,500	3,062,602
Total assets					\$ 1,827,189	\$ 2,973,348	\$ 4,800,537
Net Assets							
Restricted for:							
Culture and recreation					\$ 379,704	\$ -	\$ 379,704
Debt service					501,112	642,014	1,143,126
Meter deposits					-	270,737	270,737
Capital asset acquisition and construction					-	679,749	679,749
Other purposes					589,286	-	589,286
Unrestricted					357,087	1,380,848	1,737,935
Total net assets					\$ 1,827,189	\$ 2,973,348	\$ 4,800,537

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

TOWN OF EDINBURGH
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, 2003

	General	Motor Vehicle Highway	Nonreverting ERA Timbergate	Redevelopment Debt Reserve	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 1,501,747	\$ 460,400	\$ -	\$ -	\$ 400,347	\$ 2,362,494
Licenses and permits	8,938	-	-	-	-	8,938
Intergovernmental	1,111,282	175,675	-	-	350,619	1,637,576
Charges for services	60,529	-	1,029,842	-	169,019	1,259,390
Fines and forfeits	156	-	-	-	-	156
Other	14,051	6,948	-	3,438	30,346	54,783
Total receipts	2,696,703	643,023	1,029,842	3,438	950,331	5,323,337
Disbursements:						
General government	615,564	-	-	-	350,273	965,837
Public safety	998,746	-	-	-	26,600	1,025,346
Highways and streets	-	701,344	-	-	57,098	758,442
Sanitation	194,202	-	-	-	-	194,202
Culture and recreation	705,725	-	585,016	-	305,159	1,595,900
Urban redevelopment and housing	-	-	-	-	231,563	231,563
Debt service:						
Principal	-	-	-	-	145,000	145,000
Interest	-	-	-	-	341,876	341,876
Capital outlay	-	-	-	-	67,002	67,002
Total disbursements	2,514,237	701,344	585,016	-	1,524,571	5,325,168
Excess (deficiency) of revenue over disbursements	182,466	(58,321)	444,826	3,438	(574,240)	(1,831)
Other financing sources (uses)						
Temporary loans	(500,000)	-	-	-	-	(500,000)
Interfund loans	(400,000)	-	-	-	-	(400,000)
Transfers in	-	-	-	-	490,571	490,571
Transfers out	-	-	(485,532)	(5,039)	-	(490,571)
Loans	900,000	-	-	-	-	900,000
Total other financing sources (uses)	-	-	(485,532)	(5,039)	490,571	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	182,466	(58,321)	(40,706)	(1,601)	(83,669)	(1,831)
Cash and investment fund balance - beginning	174,621	111,966	420,410	502,713	619,310	1,829,020
Cash and investment fund balance - ending	\$ 357,087	\$ 53,645	\$ 379,704	\$ 501,112	\$ 535,641	\$ 1,827,189
Cash and Investment Assets - December 31						
Cash and investments	\$ 357,087	\$ -	\$ -	\$ -	\$ -	\$ 357,087
Restricted assets:						
Cash and investments	-	53,645	379,704	501,112	535,641	1,470,102
Total cash and investment assets - December 31	\$ 357,087	\$ 53,645	\$ 379,704	\$ 501,112	\$ 535,641	\$ 1,827,189
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 379,704	\$ -	\$ 61,233	\$ 440,937
Debt service	-	-	-	501,112	339,508	840,620
Other purposes	-	53,645	-	-	535,641	589,286
Unrestricted	357,087	-	-	-	-	357,087
Total cash and investment fund balance - December 31	\$ 357,087	\$ 53,645	\$ 379,704	\$ 501,112	\$ 936,382	\$ 2,227,930

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

TOWN OF EDINBURGH
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, 2003

	Water Utility	Wastewater Utility	Electric Utility	Total
Operating receipts:				
Measured revenue	\$ 636,498	\$ 1,047,817	\$ 5,019,603	\$ 6,703,918
Customer deposits	4,700	8,960	46,793	60,453
Other	10,165	10,071	108,187	128,423
	<u>651,363</u>	<u>1,066,848</u>	<u>5,174,583</u>	<u>6,892,794</u>
Total operating receipts				
Operating disbursements:				
Salaries and wages	203,364	234,632	1,089,308	1,527,304
Employee pensions and benefits	79,024	76,253	-	155,277
Purchased power	38,409	66,274	3,581,140	3,685,823
Sludge removal	-	6,000	-	6,000
Chemicals	5,632	10,125	-	15,757
Material and supplies	59,581	126,346	-	185,927
Contractual services	17,848	285,923	-	303,771
Transportation disbursements	4,833	1,729	-	6,562
Insurance disbursements	8,145	10,291	-	18,436
Miscellaneous disbursements	57,588	44,369	87,042	188,999
Customer deposit refunds	4,170	2,920	54,825	61,915
	<u>478,594</u>	<u>864,862</u>	<u>4,812,315</u>	<u>6,155,771</u>
Total operating disbursements				
Excess of operating receipts over operating disbursements	<u>172,769</u>	<u>201,986</u>	<u>362,268</u>	<u>737,023</u>
Nonoperating receipts (disbursements):				
Interest and investment receipts	7,536	12,572	15,269	35,377
Interfund loan repayments	100,000	100,000	200,000	400,000
Debt service of principal	(80,000)	(156,000)	-	(236,000)
Interest and investment disbursement	(49,065)	(322,010)	-	(371,075)
Interfund loans	(100,000)	(100,000)	(200,000)	(400,000)
	<u>(121,529)</u>	<u>(465,438)</u>	<u>15,269</u>	<u>(571,698)</u>
Total nonoperating receipts (disbursements)				
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	51,240	(263,452)	377,537	165,325
Transfers in	133,200	310,000	-	443,200
Transfers out	(133,200)	(310,000)	-	(443,200)
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	51,240	(263,452)	377,537	165,325
Cash and investment fund balance - beginning	<u>655,408</u>	<u>1,078,013</u>	<u>1,074,602</u>	<u>2,808,023</u>
Cash and investment fund balance - ending	<u>\$ 706,648</u>	<u>\$ 814,561</u>	<u>\$ 1,452,139</u>	<u>\$ 2,973,348</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 344,737	\$ 367,899	\$ 668,212	\$ 1,380,848
Restricted assets:				
Cash and investments	361,911	446,662	783,927	1,592,500
Total cash and investment assets - December 31	<u>\$ 706,648</u>	<u>\$ 814,561</u>	<u>\$ 1,452,139</u>	<u>\$ 2,973,348</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ 247,785	\$ 338,972	\$ 55,257	\$ 642,014
Meter deposits	41,870	8,880	219,987	270,737
Capital asset acquisition/construction	72,256	98,810	508,683	679,749
Unrestricted	344,737	367,899	668,212	1,380,848
Total cash and investment fund balance - December 31	<u>\$ 706,648</u>	<u>\$ 814,561</u>	<u>\$ 1,452,139</u>	<u>\$ 2,973,348</u>

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

TOWN OF EDINBURGH
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2003

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Other	\$ 77,756	\$ -
Agency fund additions	<u>-</u>	<u>2,205,106</u>
Total additions	<u>77,756</u>	<u>2,205,106</u>
Deductions:		
General government	95,210	-
Agency fund deductions	<u>-</u>	<u>2,203,325</u>
Total deductions	<u>95,210</u>	<u>2,203,325</u>
Excess (deficiency) of total additions over total deductions	(17,454)	1,781
Cash and investment fund balance - beginning	<u>408,455</u>	<u>29,161</u>
Cash and investment fund balance - ending	<u>\$ 391,001</u>	<u>\$ 30,942</u>

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

TOWN OF EDINBURGH
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2004

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 783,085	\$ 109,369	\$ 1,172	\$ 27,719	\$ (644,825)	\$ -	\$ (644,825)
Public safety	1,078,402	31,638	8,840	20,272	(1,017,652)	-	(1,017,652)
Highways and streets	680,938	6,726	246,255	-	(427,957)	-	(427,957)
Sanitation	200,004	31,620	-	-	(168,384)	-	(168,384)
Culture and recreation	1,731,332	1,111,036	15,540	-	(604,756)	-	(604,756)
Urban redevelopment and housing	95,223	-	-	78,538	(16,685)	-	(16,685)
Debt service	571,444	4,016	-	-	(567,428)	-	(567,428)
Capital outlay	28,117	-	-	28,324	207	-	207
Total governmental activities	5,168,545	1,294,405	271,807	154,853	(3,447,480)	-	(3,447,480)
Business-type activities:							
Water	656,336	649,850	-	-	-	(6,486)	(6,486)
Wastewater	1,018,607	1,301,218	-	-	-	282,611	282,611
Electric	5,472,129	5,561,648	-	-	-	89,519	89,519
Total business-type activities	7,147,072	7,512,716	-	-	-	365,644	365,644
Total primary government	\$ 12,315,617	\$ 8,807,121	\$ 271,807	\$ 154,853	(3,447,480)	365,644	(3,081,836)
General receipts:							
Property taxes					2,483,579	-	2,483,579
Other local sources					1,256,975	-	1,256,975
Unrestricted investment earnings					8,448	56,776	65,224
Total general receipts					3,749,002	56,776	3,805,778
Change in net assets					301,522	422,420	723,942
Net assets - beginning					1,827,189	2,973,348	4,800,537
Net assets - ending					\$ 2,128,711	\$ 3,395,768	\$ 5,524,479
<u>Assets</u>							
Cash and investments					\$ 592,492	\$ 1,765,908	\$ 2,358,400
Restricted assets:							
Cash and investments					1,536,219	1,629,860	3,166,079
Total assets					\$ 2,128,711	\$ 3,395,768	\$ 5,524,479
<u>Net Assets</u>							
Restricted for:							
Culture and recreation					\$ 465,193	\$ -	\$ 465,193
Debt service					520,833	796,929	1,317,762
Meter deposits					-	278,824	278,824
Capital asset acquisition and construction					-	554,107	554,107
Other purposes					550,193	-	550,193
Unrestricted					592,492	1,765,908	2,358,400
Total net assets					\$ 2,128,711	\$ 3,395,768	\$ 5,524,479

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

TOWN OF EDINBURGH
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, 2004

	General	Motor Vehicle Highway	Nonreverting ERA Timbergate	Redevelopment Debt Reserve	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 1,545,999	\$ 550,212	\$ -	\$ -	\$ 387,368	\$ 2,483,579
Licenses and permits	8,066	-	-	-	-	8,066
Intergovernmental	1,153,209	188,810	-	-	300,705	1,642,724
Charges for services	80,154	-	981,644	-	191,876	1,253,674
Fines and forfeits	291	-	-	-	-	291
Other	12,710	6,726	-	3,655	58,642	81,733
Total receipts	2,800,429	745,748	981,644	3,655	938,591	5,470,067
Disbursements:						
General government	534,884	-	-	-	248,201	783,085
Public safety	1,053,390	-	-	-	25,012	1,078,402
Highways and streets	-	628,668	-	-	52,270	680,938
Sanitation	200,004	-	-	-	-	200,004
Culture and recreation	706,746	-	783,656	-	240,930	1,731,332
Urban redevelopment and housing	-	-	-	-	95,223	95,223
Debt service:						
Principal	-	-	-	-	155,000	155,000
Interest	-	-	-	-	416,444	416,444
Capital outlay	-	-	-	-	28,117	28,117
Total disbursements	2,495,024	628,668	783,656	-	1,261,197	5,168,545
Excess (deficiency) of revenue over disbursements	305,405	117,080	197,988	3,655	(322,606)	301,522
Other financing sources (uses)						
Transfers in	-	-	-	-	320,573	320,573
Transfers out	(70,000)	-	(247,641)	(2,932)	-	(320,573)
Total other financing sources (uses)	(70,000)	-	(247,641)	(2,932)	320,573	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	235,405	117,080	(49,653)	723	(2,033)	301,522
Cash and investment fund balance - beginning	357,087	53,645	379,704	501,112	535,641	1,827,189
Cash and investment fund balance - ending	<u>\$ 592,492</u>	<u>\$ 170,725</u>	<u>\$ 330,051</u>	<u>\$ 501,835</u>	<u>\$ 533,608</u>	<u>\$ 2,128,711</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 592,492	\$ -	\$ -	\$ -	\$ -	\$ 592,492
Restricted assets:						
Cash and investments	-	170,725	330,051	501,835	533,608	1,536,219
Total cash and investment assets - December 31	\$ 592,492	\$ 170,725	\$ 330,051	\$ 501,835	\$ 533,608	\$ 2,128,711
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 330,051	\$ -	\$ 135,142	\$ 465,193
Debt service	-	-	-	501,835	18,998	520,833
Other purposes	-	170,725	-	-	379,468	550,193
Unrestricted	592,492	-	-	-	-	592,492
Total cash and investment fund balance - December 31	\$ 592,492	\$ 170,725	\$ 330,051	\$ 501,835	\$ 533,608	\$ 2,128,711

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

TOWN OF EDINBURGH
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, 2004

	Water Utility	Wastewater Utility	Electric Utility	Total
Operating receipts:				
Measured revenue	\$ 636,146	\$ 1,014,111	\$ 5,412,178	\$ 7,062,435
Customer deposits	4,730	9,120	47,978	61,828
Other	8,974	277,987	101,492	388,453
	<u>649,850</u>	<u>1,301,218</u>	<u>5,561,648</u>	<u>7,512,716</u>
Total operating receipts				
Operating disbursements:				
Salaries and wages	197,398	260,203	427,339	884,940
Employee pensions and benefits	85,341	87,642	-	172,983
Purchased power	40,713	73,847	4,037,540	4,152,100
Sludge removal	-	6,000	-	6,000
Chemicals	1,519	10,381	-	11,900
Material and supplies	69,132	166,857	-	235,989
Contractual services	20,332	74,344	-	94,676
Transportation disbursements	4,306	1,869	-	6,175
Insurance disbursements	12,672	16,947	-	29,619
Regulatory commission disbursements	93,676	34,653	962,760	1,091,089
Miscellaneous disbursements	4,490	4,760	44,490	53,740
	<u>529,579</u>	<u>737,503</u>	<u>5,472,129</u>	<u>6,739,211</u>
Total operating disbursements				
Excess of operating receipts over operating disbursements	<u>120,271</u>	<u>563,715</u>	<u>89,519</u>	<u>773,505</u>
Nonoperating receipts (disbursements):				
Interest and investment receipts	8,064	27,472	21,240	56,776
Debt service of principal	(80,000)	(166,000)	-	(246,000)
Interest and investment disbursement	(46,757)	(115,104)	-	(161,861)
	<u>(118,693)</u>	<u>(253,632)</u>	<u>21,240</u>	<u>(351,085)</u>
Total nonoperating receipts (disbursements)				
Excess of receipts over disbursements and nonoperating receipts	1,578	310,083	110,759	422,420
Transfers in	133,200	425,274	-	558,474
Transfers out	(133,200)	(425,274)	-	(558,474)
Excess of receipts, contributions and transfers in over disbursements and transfers out	1,578	310,083	110,759	422,420
Cash and investment fund balance - beginning	<u>706,648</u>	<u>814,561</u>	<u>1,452,139</u>	<u>2,973,348</u>
Cash and investment fund balance - ending	<u>\$ 708,226</u>	<u>\$ 1,124,644</u>	<u>\$ 1,562,898</u>	<u>\$ 3,395,768</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 393,330	\$ 596,597	\$ 775,981	\$ 1,765,908
Restricted assets:				
Cash and investments	<u>314,896</u>	<u>528,047</u>	<u>786,917</u>	<u>1,629,860</u>
Total cash and investment assets - December 31	<u>\$ 708,226</u>	<u>\$ 1,124,644</u>	<u>\$ 1,562,898</u>	<u>\$ 3,395,768</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ 256,380	\$ 485,292	\$ 55,257	\$ 796,929
Meter deposits	42,110	13,240	223,474	278,824
Capital asset acquisition/construction	16,406	29,515	508,186	554,107
Unrestricted	<u>393,330</u>	<u>596,597</u>	<u>775,981</u>	<u>1,765,908</u>
Total cash and investment fund balance - December 31	<u>\$ 708,226</u>	<u>\$ 1,124,644</u>	<u>\$ 1,562,898</u>	<u>\$ 3,395,768</u>

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

TOWN OF EDINBURGH
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2004

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Other	\$ 99,290	\$ -
Agency fund additions	-	2,254,086
Total additions	99,290	2,254,086
Deductions:		
General government	77,781	-
Transfers out	20,000	-
Agency fund deductions	-	2,250,510
Total deductions	97,781	2,250,510
Excess of total additions over total deductions	1,509	3,576
Cash and investment fund balance - beginning	391,001	30,942
Cash and investment fund balance - ending	\$ 392,510	\$ 34,518

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

TOWN OF EDINBURGH
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, 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 nonexchange 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 motor vehicle highway fund is used for maintenance of the town's streets.

The nonreverting era timbergate fund is used to account for the town's golf course transactions.

The redevelopment debt reserve fund is used to accumulate a cash balance in case a redevelopment debt payment can not be made.

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.

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

TOWN OF EDINBURGH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the Town reports the following fund types:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the citizens of the community by providing and caretaking of town cemeteries.

Agency funds account for assets held by the Town as an agent for the town's employees.

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 its 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 EDINBURGH
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 EDINBURGH
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:

1. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and discretely-presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

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.

TOWN OF EDINBURGH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

III. Detailed Notes on All Funds

A. 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.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2003 and 2004, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2003</u>	<u>2004</u>
General Fund	Other governmental	\$ -	\$ 50,000
Nonreverting ERA Timbergate	Other governmental	485,532	247,641
Redevelopment Debt Reserve	Other governmental	5,039	2,932
Private-Purpose Trust Fund	Other governmental	-	20,000
		<u>-</u>	<u>20,000</u>
Totals		<u>\$ 490,571</u>	<u>\$ 320,573</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 debt service fund for current-year debt service requirements.

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; 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 years. There were no significant reductions in insurance by major category of risk.

TOWN OF EDINBURGH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries to Employees

During 1991, the Town joined with other governmental entities in the Indiana Public Employer's Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The Town pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Subsequent Events

The unit entered into a \$300,000 capital lease for a fire truck in 2005.

C. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on October 22, 1997.

Wastewater Utility

The current rate structure was approved by the Town Council on August 6, 2001.

Electric Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on September 7, 1988.

D. 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. 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:

TOWN OF EDINBURGH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 75,853
Interest on net pension obligation	(3,867)
Adjustment to annual required contribution	4,407
Annual pension cost	76,393
Contributions made	92,142
Decrease in net pension obligation	(15,749)
Net pension obligation, beginning of year	(53,344)
Net pension obligation, end of year	\$ (69,093)
Contribution rates:	
Town	5.75%
Plan members	3%
Actuarial valuation date	07-01-05
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

TOWN OF EDINBURGH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
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%

* 2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 91,695	88%	\$ (33,883)
	06-30-04	71,358	127%	(53,344)
	06-30-05	76,393	129%	(69,093)

TOWN OF EDINBURGH
 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 AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 2,219,358	\$ 2,135,237	\$ 84,121	104%	\$ 1,764,288	5%
07-01-04	2,234,058	2,200,805	33,253	102%	1,774,375	2%

TOWN OF EDINBURGH
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2004

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
1994 swimming pool	\$ 523,187	\$ 28,653
Water playground	39,284	2,142
Water slide	112,782	6,151
2004 sirens	17,735	17,735
2003 police cars	14,050	14,050
2004 police cars	26,953	13,148
Bonds payable:		
General obligation bonds:		
1997 golf course bond	<u>5,455,000</u>	<u>160,000</u>
Total governmental activities long-term debt	<u>\$ 6,188,991</u>	<u>\$ 241,879</u>
Business-type Activities:		
Water Utility:		
Capital leases:		
Phone system	\$ 1,594	\$ 797
Refunding bonds:		
1993 refunding bonds	185,000	35,000
Revenue bonds:		
1997 revenue bonds	<u>595,000</u>	<u>55,000</u>
Total Water Utility	<u>781,594</u>	<u>90,797</u>
Wastewater Utility:		
Capital leases:		
Phone system	1,565	783
2004 backhoe	34,332	9,188
Loans:		
State revolving fund loans	2,863,853	-
Refunding bonds:		
1993 refunding bonds	545,000	95,000
Revenue bonds:		
2001 biosolids project revenue bonds	<u>1,353,000</u>	<u>80,000</u>
Total Wastewater Utility	<u>4,797,750</u>	<u>184,971</u>
Electric Utility:		
Capital leases:		
Phone system	\$ 1,584	\$ 792
Loans:		
Transformer loans	<u>400,000</u>	<u>400,000</u>
Total Electric Utility	<u>401,584</u>	<u>400,792</u>
Total business-type activities long-term debt:	<u>\$ 5,980,928</u>	<u>\$ 676,560</u>

TOWN OF EDINBURGH
 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, 2003

	Local Road and Street	Cemetery Operating	Parks and Recreation	Rainy Day Fund	Riverboat	CEDIT Capital Projects
Receipts:						
Taxes	\$ -	\$ 99,755	\$ 137,187	\$ -	\$ -	\$ -
Intergovernmental	53,171	7,733	10,615	-	28,487	5,052
Charges for services	-	63,760	-	-	-	-
Other	-	698	14,575	-	-	-
Total receipts	53,171	171,946	162,377	-	28,487	5,052
Disbursements:						
General government	-	173,744	-	-	27,998	-
Public safety	-	-	-	-	-	-
Highways and streets	57,098	-	-	-	-	-
Culture and recreation	-	-	221,271	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	57,098	173,744	221,271	-	27,998	-
Excess (deficiency) of revenue over disbursements	(3,927)	(1,798)	(58,894)	-	489	5,052
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	(3,927)	(1,798)	(58,894)	-	489	5,052
Cash and investment fund balance - beginning	15,405	54,960	60,954	-	-	7,971
Cash and investment fund balance - ending	\$ 11,478	\$ 53,162	\$ 2,060	\$ -	\$ 489	\$ 13,023
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	11,478	53,162	2,060	-	489	13,023
Total cash and investment assets - December 31	\$ 11,478	\$ 53,162	\$ 2,060	\$ -	\$ 489	\$ 13,023
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 2,060	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Other purposes	11,478	53,162	-	-	489	13,023
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 11,478	\$ 53,162	\$ 2,060	\$ -	\$ 489	\$ 13,023

TOWN OF EDINBURGH
 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, 2003
 (Continued)

	CDBG Program	Johnson County United Way	Nonreverting Amos Investment Agreement	Nonreverting Conover Memorial Park	Nonreverting Fire/EMS	Nonreverting Market Place II
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,689
Intergovernmental	225,800	-	-	-	-	-
Charges for services	-	-	-	-	8,480	-
Other	-	10,000	-	-	442	-
Total receipts	225,800	10,000	-	-	8,922	118,689
Disbursements:						
General government	-	14,779	-	-	-	131,182
Public safety	-	-	-	-	13,617	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	231,563	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	231,563	14,779	-	-	13,617	131,182
Excess (deficiency) of revenue over disbursements	(5,763)	(4,779)	-	-	(4,695)	(12,493)
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	(5,763)	(4,779)	-	-	(4,695)	(12,493)
Cash and investment fund balance - beginning	5,763	8,750	204	6	19,634	16,437
Cash and investment fund balance - ending	\$ -	\$ 3,971	\$ 204	\$ 6	\$ 14,939	\$ 3,944
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	3,971	204	6	14,939	3,944
Total cash and investment assets - December 31	\$ -	\$ 3,971	\$ 204	\$ 6	\$ 14,939	\$ 3,944
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Other purposes	-	3,971	204	6	14,939	3,944
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 3,971	\$ 204	\$ 6	\$ 14,939	\$ 3,944

TOWN OF EDINBURGH
 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, 2003
 (Continued)

	Nonreverting Park and Recreation	Nonreverting Park Gifts	Nonreverting Police	Nonreverting Police Buy Fund	Nonreverting Pool Concessions	Nonreverting Pool Miscellaneous Income
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	69,053	-	2,949	-	20,995	2,662
Other	700	-	-	-	-	1,013
Total receipts	69,753	-	2,949	-	20,995	3,675
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	12,983	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	53,776	-	-	-	26,791	3,321
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	53,776	-	12,983	-	26,791	3,321
Excess (deficiency) of revenue over disbursements	15,977	-	(10,034)	-	(5,796)	354
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	15,977	-	(10,034)	-	(5,796)	354
Cash and investment fund balance - beginning	32,627	208	12,357	-	14,230	1,573
Cash and investment fund balance - ending	\$ 48,604	\$ 208	\$ 2,323	\$ -	\$ 8,434	\$ 1,927
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	48,604	208	2,323	-	8,434	1,927
Total cash and investment assets - December 31	\$ 48,604	\$ 208	\$ 2,323	\$ -	\$ 8,434	\$ 1,927
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ 48,604	\$ 208	\$ -	\$ -	\$ 8,434	\$ 1,927
Debt service	-	-	-	-	-	-
Other purposes	-	-	2,323	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 48,604	\$ 208	\$ 2,323	\$ -	\$ 8,434	\$ 1,927

TOWN OF EDINBURGH
 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, 2003
 (Continued)

	Nonreverting Promotional Items	Cumulative Capital Development	Cumulative Capital Improvement	Redevelopment Sinking	Totals
Receipts:					
Taxes	\$ -	\$ 44,716	\$ -	\$ -	\$ 400,347
Intergovernmental	-	3,475	16,286	-	350,619
Charges for services	1,120	-	-	-	169,019
Other	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,468</u>	<u>30,346</u>
Total receipts	<u>2,570</u>	<u>48,191</u>	<u>16,286</u>	<u>1,468</u>	<u>950,331</u>
Disbursements:					
General government	2,570	-	-	-	350,273
Public safety	-	-	-	-	26,600
Highways and streets	-	-	-	-	57,098
Culture and recreation	-	-	-	-	305,159
Urban redevelopment and housing	-	-	-	-	231,563
Debt service:					
Principal	-	-	-	145,000	145,000
Interest	-	-	-	341,876	341,876
Capital outlay	<u>-</u>	<u>37,727</u>	<u>29,275</u>	<u>-</u>	<u>67,002</u>
Total disbursements	<u>2,570</u>	<u>37,727</u>	<u>29,275</u>	<u>486,876</u>	<u>1,524,571</u>
Excess (deficiency) of revenue over disbursements	<u>-</u>	<u>10,464</u>	<u>(12,989)</u>	<u>(485,408)</u>	<u>(574,240)</u>
Other financing sources (uses)					
Transfers in	-	-	-	490,571	490,571
Other receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,571</u>	<u>490,571</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>10,464</u>	<u>(12,989)</u>	<u>5,163</u>	<u>(83,669)</u>
Cash and investment fund balance - beginning	<u>-</u>	<u>8,250</u>	<u>25,636</u>	<u>334,345</u>	<u>619,310</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 18,714</u>	<u>\$ 12,647</u>	<u>\$ 339,508</u>	<u>\$ 535,641</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-
Restricted assets:					
Cash and investments	<u>-</u>	<u>18,714</u>	<u>12,647</u>	<u>339,508</u>	<u>535,641</u>
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 18,714</u>	<u>\$ 12,647</u>	<u>\$ 339,508</u>	<u>\$ 535,641</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 61,233
Debt service	-	-	-	339,508	339,508
Other purposes	-	18,714	12,647	-	134,900
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 18,714</u>	<u>\$ 12,647</u>	<u>\$ 339,508</u>	<u>\$ 535,641</u>

TOWN OF EDINBURGH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2003

	Cemetery Badger	Cemetery Breeding	Cemetery Conover	Cemetery Dorsey	Cemetery Edna Jordan	Cemetery Flower
Additions: Other	\$ 74,821	\$ 485	\$ -	\$ 13	\$ -	\$ 478
Deductions: General government	92,391	-	-	-	-	2,745
Excess (deficiency) of total additions over total deductions	(17,570)	485	-	13	-	(2,267)
Cash and investment fund balance - beginning	225,398	16,083	2,888	1,923	173	45,352
Cash and investment fund balance - ending	<u>\$ 207,828</u>	<u>\$ 16,568</u>	<u>\$ 2,888</u>	<u>\$ 1,936</u>	<u>\$ 173</u>	<u>\$ 43,085</u>

TOWN OF EDINBURGH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2003
 (Continued)

	Cemetery Gertrude Amos	Cemetery Graham	Cemetery Mooney	Cemetery Ollie Christie	Cemetery Perpetual Care	Total
Additions: Other	\$ -	\$ 151	\$ 209	\$ 12	\$ 1,587	\$ 77,756
Deductions: General government	74	-	-	-	-	95,210
Excess (deficiency) of total additions over total deductions	(74)	151	209	12	1,587	(17,454)
Cash and investment fund balance - beginning	745	4,103	21,655	1,879	88,256	408,455
Cash and investment fund balance - ending	<u>\$ 671</u>	<u>\$ 4,254</u>	<u>\$ 21,864</u>	<u>\$ 1,891</u>	<u>\$ 89,843</u>	<u>\$ 391,001</u>

TOWN OF EDINBURGH
 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, 2004

	<u>Local Road and Street</u>	<u>Cemetery Operating</u>	<u>Parks and Recreation</u>	<u>Rainy Day Fund</u>	<u>Riverboat</u>	<u>CEDIT Capital Projects</u>
Receipts:						
Taxes	\$ -	\$ 17,495	\$ 191,411	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	57,444	1,172	14,776	74,844	28,921	8,212
Charges for services	-	76,360	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	(647)	7,909	-	-	-
Total receipts	<u>57,444</u>	<u>94,380</u>	<u>214,096</u>	<u>74,844</u>	<u>28,921</u>	<u>8,212</u>
Disbursements:						
General government	-	189,335	-	23,013	-	-
Public safety	-	-	-	-	-	-
Highways and streets	52,270	-	-	-	-	-
Culture and recreation	-	-	178,738	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	16,762
Total disbursements	<u>52,270</u>	<u>189,335</u>	<u>178,738</u>	<u>23,013</u>	<u>-</u>	<u>16,762</u>
Excess (deficiency) of revenue over disbursements	<u>5,174</u>	<u>(94,955)</u>	<u>35,358</u>	<u>51,831</u>	<u>28,921</u>	<u>(8,550)</u>
Other financing sources (uses)						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Interfund services provided and used	-	-	-	-	-	-
Transfers in	-	70,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,174</u>	<u>(24,955)</u>	<u>35,358</u>	<u>51,831</u>	<u>28,921</u>	<u>(8,550)</u>
Cash and investment fund balance - beginning	<u>11,478</u>	<u>53,162</u>	<u>2,060</u>	<u>-</u>	<u>489</u>	<u>13,023</u>
Cash and investment fund balance - ending	<u>\$ 16,652</u>	<u>\$ 28,207</u>	<u>\$ 37,418</u>	<u>\$ 51,831</u>	<u>\$ 29,410</u>	<u>\$ 4,473</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	16,652	28,207	37,418	51,831	29,410	4,473
Total cash and investment assets - December 31	<u>\$ 16,652</u>	<u>\$ 28,207</u>	<u>\$ 37,418</u>	<u>\$ 51,831</u>	<u>\$ 29,410</u>	<u>\$ 4,473</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 37,418	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Other purposes	16,652	28,207	-	51,831	29,410	4,473
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 16,652</u>	<u>\$ 28,207</u>	<u>\$ 37,418</u>	<u>\$ 51,831</u>	<u>\$ 29,410</u>	<u>\$ 4,473</u>

TOWN OF EDINBURGH
 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, 2004
 (Continued)

	CDBG Program	Johnson County United Way	Nonreverting Amos Investment Agreement	Nonreverting Conover Memorial Park	Nonreverting Fire/EMS	Nonreverting Market Place II
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,994
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	95,223	-	-	-	-	-
Charges for services	-	-	-	-	10,144	-
Fines and forfeits	-	-	-	-	-	-
Other	-	11,034	-	-	20,272	10,000
Total receipts	95,223	11,034	-	-	30,416	145,994
Disbursements:						
General government	-	11,256	65	6	-	23,306
Public safety	-	-	-	-	18,017	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	95,223	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	95,223	11,256	65	6	18,017	23,306
Excess (deficiency) of revenue over disbursements	-	(222)	(65)	(6)	12,399	122,688
Other financing sources (uses)						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Interfund services provided and used	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(222)	(65)	(6)	12,399	122,688
Cash and investment fund balance - beginning	-	3,971	204	6	14,939	3,944
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 27,338</u>	<u>\$ 126,632</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	3,749	139	-	27,338	126,632
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 27,338</u>	<u>\$ 126,632</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-
Other purposes	-	3,749	139	-	27,338	126,632
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 27,338</u>	<u>\$ 126,632</u>

TOWN OF EDINBURGH
 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, 2004
 (Continued)

	Nonreverting Park and Recreation	Nonreverting Park Gifts	Nonreverting Police	Nonreverting Police Buy Fund	Nonreverting Pool Concessions	Nonreverting Pool Miscellaneous Income
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	76,468	-	4,092	-	18,327	5,185
Fines and forfeits	-	-	-	-	-	-
Other	763	-	3,110	5,840	-	-
Total receipts	77,231	-	7,202	5,840	18,327	5,185
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	6,225	770	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	48,954	-	-	-	9,241	3,997
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	48,954	-	6,225	770	9,241	3,997
Excess (deficiency) of revenue over disbursements	28,277	-	977	5,070	9,086	1,188
Other financing sources (uses)						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Interfund services provided and used	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,277	-	977	5,070	9,086	1,188
Cash and investment fund balance - beginning	48,604	208	2,323	-	8,434	1,927
Cash and investment fund balance - ending	<u>\$ 76,881</u>	<u>\$ 208</u>	<u>\$ 3,300</u>	<u>\$ 5,070</u>	<u>\$ 17,520</u>	<u>\$ 3,115</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	76,881	208	3,300	5,070	17,520	3,115
Total cash and investment assets - December 31	<u>\$ 76,881</u>	<u>\$ 208</u>	<u>\$ 3,300</u>	<u>\$ 5,070</u>	<u>\$ 17,520</u>	<u>\$ 3,115</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ 76,881	\$ 208	\$ -	\$ -	\$ 17,520	\$ 3,115
Debt service	-	-	-	-	-	-
Other purposes	-	-	3,300	5,070	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 76,881</u>	<u>\$ 208</u>	<u>\$ 3,300</u>	<u>\$ 5,070</u>	<u>\$ 17,520</u>	<u>\$ 3,115</u>

TOWN OF EDINBURGH
 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, 2004
 (Continued)

	Nonreverting Promotional Items	Cumulative Capital Development	Cumulative Capital Improvement	Redevelopment Sinking	Totals
Receipts:					
Taxes	\$ -	\$ 42,468	\$ -	\$ -	\$ 387,368
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	3,301	16,812	-	300,705
Charges for services	1,300	-	-	-	191,876
Fines and forfeits	-	-	-	-	-
Other	-	-	-	361	58,642
	<u>1,300</u>	<u>45,769</u>	<u>16,812</u>	<u>361</u>	<u>938,591</u>
Total receipts					
Disbursements:					
General government	1,220	-	-	-	248,201
Public safety	-	-	-	-	25,012
Highways and streets	-	-	-	-	52,270
Culture and recreation	-	-	-	-	240,930
Urban redevelopment and housing	-	-	-	-	95,223
Debt service:					
Principal	-	-	-	155,000	155,000
Interest	-	-	-	416,444	416,444
Capital outlay	-	751	10,604	-	28,117
	<u>1,220</u>	<u>751</u>	<u>10,604</u>	<u>571,444</u>	<u>1,261,197</u>
Total disbursements					
Excess (deficiency) of revenue over disbursements	80	45,018	6,208	(571,083)	(322,606)
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Interfund loans	-	-	-	-	-
Interfund services provided and used	-	-	-	-	-
Transfers in	-	-	-	250,573	320,573
Transfers out	-	-	-	-	-
Other receipts	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,573</u>	<u>320,573</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80	45,018	6,208	(320,510)	(2,033)
Cash and investment fund balance - beginning	-	18,714	12,647	339,508	535,641
Cash and investment fund balance - ending	<u>\$ 80</u>	<u>\$ 63,732</u>	<u>\$ 18,855</u>	<u>\$ 18,998</u>	<u>\$ 533,608</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-
Restricted assets:					
Cash and investments	80	63,732	18,855	18,998	533,608
Total cash and investment assets - December 31	<u>\$ 80</u>	<u>\$ 63,732</u>	<u>\$ 18,855</u>	<u>\$ 18,998</u>	<u>\$ 533,608</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 135,142
Debt service	-	-	-	18,998	18,998
Other purposes	80	63,732	18,855	-	379,468
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 80</u>	<u>\$ 63,732</u>	<u>\$ 18,855</u>	<u>\$ 18,998</u>	<u>\$ 533,608</u>

TOWN OF EDINBURGH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2004

	Cemetery Badger	Cemetery Breeding	Cemetery Conover	Cemetery Dorsey	Cemetery Edna Jordan	Cemetery Flower
Additions:						
Other	\$ 91,879	\$ 366	\$ -	\$ 20	\$ -	\$ 281
Deductions:						
General government	72,107	-	-	-	-	1,560
Transfer	20,000	-	-	-	-	-
Total deductions	92,107	-	-	-	-	1,560
Excess (deficiency) of total additions over total deductions	(228)	366	-	20	-	(1,279)
Cash and investment fund balance - beginning	207,828	16,568	2,888	1,936	173	43,085
Cash and investment fund balance - ending	<u>\$ 207,600</u>	<u>\$ 16,934</u>	<u>\$ 2,888</u>	<u>\$ 1,956</u>	<u>\$ 173</u>	<u>\$ 41,806</u>

TOWN OF EDINBURGH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2004
 (Continued)

	Cemetery Gertrude Amos	Cemetery Graham	Cemetery Mooney	Cemetery Ollie Christie	Cemetery Perpetual Care	Total
Additions:						
Other	\$ 1,804	\$ 31	\$ 324	\$ 20	\$ 4,565	\$ 99,290
Deductions:						
General government	74	-	-	-	4,040	77,781
Transfer	-	-	-	-	-	20,000
Total deductions	74	-	-	-	4,040	97,781
Excess (deficiency) of total additions over total deductions	1,730	31	324	20	525	1,509
Cash and investment fund balance - beginning	671	4,254	21,864	1,891	89,843	391,001
Cash and investment fund balance - ending	\$ 2,401	\$ 4,285	\$ 22,188	\$ 1,911	\$ 90,368	\$ 392,510

TOWN OF EDINBURGH
AUDIT RESULTS AND COMMENTS

DEPOSITS

As stated in the prior report, there were instances receipts were deposited later than the next business day.

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."

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an accurate record of the Town's capital assets was being maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (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

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

TO: THE OFFICIALS OF THE TOWN OF EDINBURGH, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Edinburgh (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, 2003 and 2004. 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, 2003 and 2004.

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

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

March 26, 2007

TOWN OF EDINBURGH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2003 and 2004

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-03	Total Federal Awards Expended 12-31-04
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Housing and Community Development Authority				
Community Development Block Grants - State's Program	14.228			
Water Planning				
PL - 02-007			\$ 29,523	\$ -
PL - 02-009			490	-
Total for program			<u>30,013</u>	<u>-</u>
Pass-Through Indiana Housing Finance Authority				
Community Development Block Grants - State's Program				
Housing Rehabilitation				
PN - 001-016			2,000	-
HD - 002-014			<u>210,962</u>	<u>78,538</u>
Total for program			<u>212,962</u>	<u>78,538</u>
Total for federal grantor agency			<u>242,975</u>	<u>78,538</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Pass-Through Indiana Department of Environmental Management				
Capitalization Grants for Clean Water	66.458			
State Revolving Fund			<u>175,753</u>	<u>1,702,925</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Public Assistance Grants	97.036			
EM 3197			-	18,598
Total federal awards expended			<u>\$ 418,728</u>	<u>\$ 1,800,061</u>

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

TOWN OF EDINBURGH
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 Edinburgh (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 fewer than 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF EDINBURGH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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-State's Program
66.458	Capitalization Grants for Clean Water

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 EDINBURGH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF EDINBURGH
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2007, with Jackie Smith, Clerk-Treasurer; John R. Drybread, Council member; and Mary Patterson, Deputy Clerk-Treasurer. The officials concurred with our audit findings.