

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

EXAMINATION REPORT  
OF  
TOWN OF BURLINGTON  
CARROLL COUNTY, INDIANA  
January 1, 2009 to December 31, 2010



**FILED**  
06/20/2011



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christy Shepherd	01-01-08 to 12-31-11
Town Judge	John Adams Debra Keller	01-01-04 to 06-14-10 06-15-10 to 12-31-11
President of the Town Council	Stan Moore	01-01-08 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BURLINGTON, CARROLL COUNTY, INDIANA

We have examined the financial statement(s) of the Town of Burlington (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statement(s). 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 statement(s) and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

In our opinion, the financial statement(s) referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement(s). They have not been subjected to the examination procedures applied to the financial statement(s) and, accordingly, we express no opinion on them.

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

May 18, 2011

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FINANCIAL STATEMENT(S)

TOWN OF BURLINGTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS

For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 329,525	\$ 173,234	\$ 195,652	\$ 307,107
Edit	18,856	9,658	4,715	23,799
General Fund Mm	24,956	72	35	24,993
Motor Vehicle Highway	115,576	58,102	47,870	125,808
Local Road And Street	21,054	2,067	776	22,345
Law Enforcement Continuing Ed	2,112	730	-	2,842
Riverboat	10,778	2,859	-	13,637
State Grant-Idem	6,998	-	-	6,998
Rainy Day	27,368	6,070	-	33,438
Local Law	4,545	1,356	2,101	3,800
Town Court	1,932	19,246	15,913	5,265
Cumulative Capl Imprv Cigarette Tax	10,011	-	-	10,011
Cumulative Capital Development	84,505	5,753	-	90,258
Cumulative Fire	77,723	3,857	-	81,580
Payroll	(486)	103,262	102,102	674
Sewage Bond And Interest	37,644	40,028	34,505	43,167
Sewage Operating	188,489	187,531	136,131	239,889
Sewage Depreciation	39,481	-	-	39,481
Sewage Debt Reserve	50,447	146	35	50,558
Totals	<u>\$ 1,051,514</u>	<u>\$ 613,971</u>	<u>\$ 539,835</u>	<u>\$ 1,125,650</u>

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

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

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 307,107	\$ 183,350	\$ 169,445	\$ 321,012
Edit	23,799	10,057	4,715	29,141
General Fund Mm	24,993	61	60	24,994
Motor Vehicle Highway	125,808	49,142	39,463	135,487
Local Road And Street	22,345	2,123	9,589	14,879
Law Enforcement Continuing Ed	2,842	-	-	2,842
Riverboat	13,637	2,860	-	16,497
State Grant-Idem	6,998	-	-	6,998
Park Grant	-	11,000	6,228	4,772
Rainy Day	33,438	11,714	-	45,152
Local Law	3,800	1,307	28	5,079
Town Court	5,265	69,974	70,727	4,512
Cumulative Capl Imprv Cigarette Tax	10,011	-	-	10,011
Cumulative Capital Development	90,258	4,514	-	94,772
Cumulative Fire	81,580	3,014	-	84,594
Payroll	674	100,649	99,989	1,334
Sewage Operating	239,889	170,656	102,808	307,737
Sewage Depreciation	39,481	-	-	39,481
Sewage Debt Reserve	50,558	124	60	50,622
Sewage Bond And Interest	43,167	35,030	34,505	43,692
Totals	<u>\$ 1,125,650</u>	<u>\$ 655,575</u>	<u>\$ 537,617</u>	<u>\$ 1,243,608</u>

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

TOWN OF BURLINGTON  
NOTES TO FINANCIAL STATEMENT(S)

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

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

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

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

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

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

**Note 4. Deposits and Investments**

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

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

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

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

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

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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:

TOWN OF BURLINGTON  
NOTES TO FINANCIAL STATEMENT(S)  
(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 the plan members for PERF are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

TOWN OF BURLINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General	Edit	General Fund Mm	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat
Cash and investments - beginning	\$ 329,525	\$ 18,856	\$ 24,956	\$ 115,576	\$ 21,054	\$ 2,112	\$ 10,778
Receipts:							
Taxes	76,748	9,658	-	39,829	-	-	-
Licenses and permits	50	-	-	-	-	-	-
Intergovernmental	55,246	-	-	16,106	2,067	-	2,859
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	3,448	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	37,742	-	72	2,167	-	730	-
Total receipts	<u>173,234</u>	<u>9,658</u>	<u>72</u>	<u>58,102</u>	<u>2,067</u>	<u>730</u>	<u>2,859</u>
Disbursements:							
Personal services	169,447	-	-	-	-	-	-
Supplies	23,246	-	-	-	-	-	-
Other services and charges	2,959	4,715	35	47,870	776	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>195,652</u>	<u>4,715</u>	<u>35</u>	<u>47,870</u>	<u>776</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(22,418)</u>	<u>4,943</u>	<u>37</u>	<u>10,232</u>	<u>1,291</u>	<u>730</u>	<u>2,859</u>
Cash and investments - ending	<u>\$ 307,107</u>	<u>\$ 23,799</u>	<u>\$ 24,993</u>	<u>\$ 125,808</u>	<u>\$ 22,345</u>	<u>\$ 2,842</u>	<u>\$ 13,637</u>

TOWN OF BURLINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	State Grant-Idem	Rainy Day	Local Law	Town Court	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Cumulative Fire
Cash and investments - beginning	\$ 6,998	\$ 27,368	\$ 4,545	\$ 1,932	\$ 10,011	\$ 84,505	\$ 77,723
Receipts:							
Taxes	-	-	-	-	-	4,939	3,299
Licenses and permits	-	-	570	-	-	-	-
Intergovernmental	-	6,070	-	-	-	797	532
Charges for services	-	-	165	-	-	-	-
Fines and forfeits	-	-	621	19,246	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	17	26
Total receipts	-	6,070	1,356	19,246	-	5,753	3,857
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	2,101	15,913	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	2,101	15,913	-	-	-
Excess (deficiency) of receipts over disbursements	-	6,070	(745)	3,333	-	5,753	3,857
Cash and investments - ending	<u>\$ 6,998</u>	<u>\$ 33,438</u>	<u>\$ 3,800</u>	<u>\$ 5,265</u>	<u>\$ 10,011</u>	<u>\$ 90,258</u>	<u>\$ 81,580</u>

TOWN OF BURLINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Payroll	Sewage Bond And Interest	Sewage Operating	Sewage Depreciation	Sewage Debt Reserve	Totals
Cash and investments - beginning	\$ (486)	\$ 37,644	\$ 188,489	\$ 39,481	\$ 50,447	\$ 1,051,514
Receipts:						
Taxes	-	-	-	-	-	134,473
Licenses and permits	-	-	-	-	-	620
Intergovernmental	-	-	-	-	-	83,677
Charges for services	-	-	-	-	-	165
Fines and forfeits	-	-	-	-	-	23,315
Utility fees	-	-	184,541	-	-	184,541
Penalties	-	-	2,615	-	-	2,615
Other receipts	103,262	40,028	375	-	146	184,565
Total receipts	<u>103,262</u>	<u>40,028</u>	<u>187,531</u>	<u>-</u>	<u>146</u>	<u>613,971</u>
Disbursements:						
Personal services	-	-	-	-	-	169,447
Supplies	-	-	-	-	-	23,246
Other services and charges	-	-	-	-	-	74,369
Debt service - principal and interest	-	34,455	-	-	-	34,455
Utility operating expenses	-	-	89,272	-	-	89,272
Other disbursements	102,102	50	46,859	-	35	149,046
Total disbursements	<u>102,102</u>	<u>34,505</u>	<u>136,131</u>	<u>-</u>	<u>35</u>	<u>539,835</u>
Excess (deficiency) of receipts over disbursements	<u>1,160</u>	<u>5,523</u>	<u>51,400</u>	<u>-</u>	<u>111</u>	<u>74,136</u>
Cash and investments - ending	<u>\$ 674</u>	<u>\$ 43,167</u>	<u>\$ 239,889</u>	<u>\$ 39,481</u>	<u>\$ 50,558</u>	<u>\$ 1,125,650</u>

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

	General	Edit	General Fund Mm	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat
Cash and investments - beginning	\$ 307,107	\$ 23,799	\$ 24,993	\$ 125,808	\$ 22,345	\$ 2,842	\$ 13,637
Receipts:							
Taxes	65,997	10,057	-	31,433	-	-	-
Licenses and permits	125	-	-	-	-	-	-
Intergovernmental	72,957	-	-	17,349	2,123	-	2,860
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	13,510	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	30,761	-	61	360	-	-	-
Total receipts	<u>183,350</u>	<u>10,057</u>	<u>61</u>	<u>49,142</u>	<u>2,123</u>	<u>-</u>	<u>2,860</u>
Disbursements:							
Personal services	164,565	-	-	-	-	-	-
Supplies	4,533	-	-	-	-	-	-
Other services and charges	347	4,715	-	39,463	9,589	-	-
Debt service - principal and interest	-	-	60	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>169,445</u>	<u>4,715</u>	<u>60</u>	<u>39,463</u>	<u>9,589</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>13,905</u>	<u>5,342</u>	<u>1</u>	<u>9,679</u>	<u>(7,466)</u>	<u>-</u>	<u>2,860</u>
Cash and investments - ending	<u>\$ 321,012</u>	<u>\$ 29,141</u>	<u>\$ 24,994</u>	<u>\$ 135,487</u>	<u>\$ 14,879</u>	<u>\$ 2,842</u>	<u>\$ 16,497</u>

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

	State Grant-Idem	Park Grant	Rainy Day	Local Law	Town Court	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 6,998	\$ -	\$ 33,438	\$ 3,800	\$ 5,265	\$ 10,011	\$ 90,258
Receipts:							
Taxes	-	-	-	-	-	-	3,774
Licenses and permits	-	-	-	250	-	-	-
Intergovernmental	-	11,000	11,714	-	-	-	740
Charges for services	-	-	-	185	-	-	-
Fines and forfeits	-	-	-	872	69,974	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	11,000	11,714	1,307	69,974	-	4,514
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	6,228	-	28	70,727	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	6,228	-	28	70,727	-	-
Excess (deficiency) of receipts over disbursements	-	4,772	11,714	1,279	(753)	-	4,514
Cash and investments - ending	<u>\$ 6,998</u>	<u>\$ 4,772</u>	<u>\$ 45,152</u>	<u>\$ 5,079</u>	<u>\$ 4,512</u>	<u>\$ 10,011</u>	<u>\$ 94,772</u>

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

	Cumulative Fire	Payroll	Sewage Operating	Sewage Depreciation	Sewage Debt Reserve	Sewage Bond And Interest	Totals
Cash and investments - beginning	\$ 81,580	\$ 674	\$ 239,889	\$ 39,481	\$ 50,558	\$ 43,167	\$ 1,125,650
Receipts:							
Taxes	2,520	-	-	-	-	-	113,781
Licenses and permits	-	-	-	-	-	-	375
Intergovernmental	494	-	-	-	-	-	119,237
Charges for services	-	-	-	-	-	-	185
Fines and forfeits	-	-	-	-	-	-	84,356
Utility fees	-	-	168,098	-	-	-	168,098
Penalties	-	-	2,249	-	-	-	2,249
Other receipts	-	100,649	309	-	124	35,030	167,294
Total receipts	3,014	100,649	170,656	-	124	35,030	655,575
Disbursements:							
Personal services	-	-	-	-	-	-	164,565
Supplies	-	-	-	-	-	-	4,533
Other services and charges	-	-	-	-	-	-	131,097
Debt service - principal and interest	-	-	-	-	60	34,455	34,575
Utility operating expenses	-	-	61,723	-	-	-	61,723
Other disbursements	-	99,989	41,085	-	-	50	141,124
Total disbursements	-	99,989	102,808	-	60	34,505	537,617
Excess (deficiency) of receipts over disbursements	3,014	660	67,848	-	64	525	117,958
Cash and investments - ending	\$ 84,594	\$ 1,334	\$ 307,737	\$ 39,481	\$ 50,622	\$ 43,692	\$ 1,243,608

TOWN OF BURLINGTON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	72,750
Improvements other than buildings	18,888
Machinery and equipment	<u>78,845</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>170,483</u></u>
 Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 121,756
Buildings	218,406
Improvements other than buildings	2,394,383
Machinery and equipment	<u>87,575</u>
 Total business-type activities, capital assets not being depreciated	 \$ <u><u>2,822,120</u></u>

TOWN OF BURLINGTON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
1980 Revenue Bond	\$ <u>248,000</u>	\$ <u>34,400</u>

TOWN OF BURLINGTON  
EXAMINATION RESULT(S) AND COMMENT(S)

***BANK RECONCILEMENTS***

Financial record balances were not reconciled to the bank balances during the examination period. At December 31, 2010, the Town's reconciled depository balance was \$43.19 less than the Town's record balance. The Town's Wastewater reconciled depository balance was \$10.62 less than the Utilities record balance.

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)

***APPROVAL OF CLAIMS***

For 2010, the Clerk-Treasurer was unable to locate the docket for the Town and Utility's disbursements that were approved and signed by the Board.

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

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

***OFFICIAL BONDS***

The following official bonds were not filed in the Office of the County Recorder:

Christy Shepherd, Clerk-Treasurer 01-01-09 to 12-31-09 and 01-01-10 to 12-31-10

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required under section 18 of this chapter to file an official bond for the faithful performance of duty, except the county recorder and deputies, and employees of the recorder, shall file the bond in the office of the county recorder. . . ."

TOWN OF BURLINGTON  
EXAMINATION RESULT(S) AND COMMENT(S)  
(Continued)

**CONDITION OF RECORDS - (Applies to Town Court)**

The following deficiencies, relating to the recordkeeping that were cited in the prior examination report, were again present during our period of examination:

Financial records presented for examination of the activity of the Town Court Fund were incomplete. The records presented did not provide beginning balances, receipt totals, disbursement totals, ending balances.

1. Record balances were not properly reconciled to depository balances during the examination period. In 2010, record balance was \$348.10 less than the bank balance. The Town Court uses the bank balance as a beginning record balance to start the next year.
2. There were numerous errors which included: receipts that were not recorded in the proper amounts; receipts received that were not always deposited timely; and no record balances were kept.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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)

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

TOWN OF BURLINGTON  
EXIT CONFERENCE

The contents of this report were discussed on May 18, 2011, with Christy Shepherd, Clerk-Treasurer, and Teddy Huffer, Board member. The officials concurred with our findings.