

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

AUDIT REPORT

OF

TOWN OF CHESTERFIELD

MADISON COUNTY, INDIANA

January 1, 2009 to December 31, 2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christopher Parrish	01-01-08 to 01-31-09
	Candy Bennett	02-01-09 to 12-31-11
President of the Town Council	Jack Taylor	01-01-09 to 12-31-10
	Ron Branham	01-01-11 to 12-31-11
Superintendent of Utilities	Christopher Walters	01-01-09 to 09-24-09
	Vacant	09-25-09 to 01-04-10
	Dustin Bennett	01-05-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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 CHESTERFIELD, MADISON COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Chesterfield (Town), for the years ended December 31, 2009 and 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 1, the Town prepares its financial statements 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 of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present 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.

In accordance with Government Auditing Standards, we have also issued a report dated July 19, 2011, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. 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

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

States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

The Town's response to the Audit Result(s) and Comment(s) identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 19, 2011



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302 WEST WASHINGTON STREET
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF CHESTERFIELD, MADISON COUNTY, INDIANA

We have audited the financial statements of the Town of Chesterfield (Town), for the years ended December 31, 2009 and 2010, and have issued our report thereon dated July 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 19, 2011

FINANCIAL STATEMENT(S)

TOWN OF CHESTERFIELD
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 Fund	\$ 229,666	\$ 828,198	\$ 956,779	\$ 101,085
M.V.H. Distribution	53,665	142,039	81,963	113,741
Local Road & Street	14,418	26,705	7,543	33,580
Town General Donation	14	-	-	14
Trash And Garbage	(2,154)	119,696	107,691	9,851
Local Law Enf. Cont. Ed.	2,886	3,322	766	5,442
Riverboat	4,384	18,580	15,924	7,040
Indiana Criminal Justice Park	162 (225)	-	-	162 83,689
Park Donation	15,860	3,151	16,742	2,269
Parade Donation	1	800	731	70
Fireworks Donation	5,096	4,271	9,367	-
Diamond Celebration Fund	77	2,028	1,388	717
Flag/Christmas Donation	268	-	-	268
Ind. Housing Grant	-	41,699	41,699	-
Dui Task Force	1,938	2,178	3,034	1,082
Ileaf Cop Grant	11	-	-	11
Agressive Driving Grant	-	1,491	1,482	9
Chemical Task Grant	(3,685)	-	490	(4,175)
2009 Chemical Task Grant	-	3,200	3,084	116
In Highway Safety Program	361	2,210	2,330	241
Rainy Day Fund	15,715	4,668	13,891	6,492
Aomc	10	-	-	10
Levy Excess Fund	-	8,241	8,241	-
Block Grant	2	-	-	2
Police Training/Schooling	197	-	-	197
Police Equip/Training Fund	243	-	-	243
Police Donation Fund	879	2,255	2,115	1,019
Slot Machine Wagering Fee	-	56,131	54,830	1,301
General Revenue Bond	82,079	58,800	85,632	55,247
Sewage Bond	30,488	-	30,488	-
Cumulative Capital Development	16,949	8,059	11,229	13,779
Police Eq Court Funds	7,917	26,455	34,372	-
Cumulative Capital Improvement	1,480	24,605	1,145	24,940
Payroll Fund	5,918	572,334	571,979	6,273
Sewage Operating	1,138	1,409,988	1,327,694	83,432
Sewage Depr. & Repl.	17,772	12,001	10,463	19,310
2008 State Revolving Fund Wastewater	-	1,800,627	1,800,627	-
Water Operating	141,438	376,912	361,005	157,345
Water Depreciation	94,226	14,696	-	108,922
Water Meter Deposit	34,451	8,962	4,663	38,750
	<u>\$ 773,645</u>	<u>\$ 5,740,398</u>	<u>\$ 5,641,569</u>	<u>\$ 872,474</u>

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

TOWN OF CHESTERFIELD
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 Fund	\$ 101,085	\$ 799,240	\$ 637,463	\$ 262,862
M.V.H. Distribution	113,741	130,898	84,037	160,602
Local Road & Street	33,580	24,543	45,449	12,674
Town General Donation	14	-	-	14
Trash And Garbage	9,851	116,646	116,420	10,077
Local Law Enf. Cont. Ed.	5,442	2,027	747	6,722
Riverboat	7,040	18,580	8,080	17,540
Indiana Criminal Justice Park	162	-	-	162
Park	83,689	66,305	78,650	71,344
Park Donation	2,269	2,998	3,105	2,162
Parade Donation	70	1,180	565	685
Fireworks Donation	-	4,083	4,000	83
Diamond Celebration Fund	717	2,150	770	2,097
Flag/Christmas Donation	268	-	268	-
Ind. Housing Grant	-	57,903	57,903	-
Dui Task Force	1,082	-	-	1,082
Ileaf Cop Grant	11	-	-	11
Agressive Driving Grant	9	534	531	12
Chemical Task Grant	(4,175)	-	-	(4,175)
2009 Chemical Task Grant	116	4,699	4,476	339
In Highway Safety Program	241	2,234	2,016	459
Rainy Day Fund	6,492	4,567	1,930	9,129
Aomc	10	-	-	10
Levy Excess Fund	-	1,457	-	1,457
Block Grant	2	-	-	2
Police Training/Schooling	197	-	-	197
Police Equip/Training Fund	243	-	-	243
Police Donation Fund	1,019	4,785	1,253	4,551
Loit-Public Safety	-	53,499	-	53,499
Slot Machine Wagering Fee	1,301	148,502	97,174	52,629
General Revenue Bond	55,247	58,800	57,346	56,701
Cumulative Capital Development	13,779	3,813	12,000	5,592
Cumulative Capital Improvement	24,940	8,694	19,002	14,632
Food and Beverage Tax Sewer Plant	-	100,000	-	100,000
Payroll Fund	6,273	522,983	522,469	6,787
Sewage Operating	83,432	1,863,190	1,799,782	146,840
Sewage Depr. & Repl.	19,310	12,000	-	31,310
2008 State Revolving Fund Wastewater	-	641,114	641,114	-
Water Operating	157,345	538,846	426,082	270,109
Water Depreciation	108,922	18,306	-	127,228
Water Meter Deposit	38,750	4,965	4,945	38,770
	<u>\$ 872,474</u>	<u>\$ 5,219,541</u>	<u>\$ 4,627,577</u>	<u>\$ 1,464,438</u>

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

TOWN OF CHESTERFIELD
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 CHESTERFIELD
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 CHESTERFIELD
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 CHESTERFIELD
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 CHESTERFIELD
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.

Note 7. Subsequent Event

On June 15, 2011, the Town signed a State Revolving Fund agreement for Sewage Works Revenue Bonds of 2011 in the amount of \$3,759,000. In addition, the Town was awarded \$3,800,000 in State Revolving Fund Sewage Works Bond Anticipation Notes of 2011 which are anticipated to be forgiven by March 31, 2015. These sources will fund the construction of a wastewater treatment plant for the Wastewater Utility.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of Chesterfield's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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

	General Fund	M.V.H. Distribution	Local Road & Street	Town General Donation	Trash And Garbage	Local Law Enf. Cont. Ed.	Riverboat
Cash and investments - beginning	\$ 229,666	\$ 53,665	\$ 14,418	\$ 14	\$ (2,154)	\$ 2,886	\$ 4,384
Receipts:							
Taxes	469,759	-	-	-	-	-	-
Licenses and permits	1,275	-	-	-	-	-	-
Intergovernmental	196,678	142,039	26,705	-	-	-	18,580
Charges for services	-	-	-	-	119,696	-	-
Fines and forfeits	33,624	-	-	-	-	3,322	-
Utility fees	-	-	-	-	-	-	-
Other receipts	126,862	-	-	-	-	-	-
Total receipts	<u>828,198</u>	<u>142,039</u>	<u>26,705</u>	<u>-</u>	<u>119,696</u>	<u>3,322</u>	<u>18,580</u>
Disbursements:							
Personal services	493,795	60,876	-	-	-	-	-
Supplies	24,127	5,148	-	-	-	-	-
Other services and charges	98,071	6,869	7,543	-	107,691	766	-
Capital outlay	26,713	9,070	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	314,073	-	-	-	-	-	15,924
Total disbursements	<u>956,779</u>	<u>81,963</u>	<u>7,543</u>	<u>-</u>	<u>107,691</u>	<u>766</u>	<u>15,924</u>
Excess (deficiency) of receipts over disbursements	<u>(128,581)</u>	<u>60,076</u>	<u>19,162</u>	<u>-</u>	<u>12,005</u>	<u>2,556</u>	<u>2,656</u>
Cash and investments - ending	<u>\$ 101,085</u>	<u>\$ 113,741</u>	<u>\$ 33,580</u>	<u>\$ 14</u>	<u>\$ 9,851</u>	<u>\$ 5,442</u>	<u>\$ 7,040</u>

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

	Indiana Criminal Justice	Park	Park Donation	Parade Donation	Fireworks Donation	Diamond Celebration Fund	Flag/Christmas Donation
Cash and investments - beginning	\$ 162	\$ (225)	\$ 15,860	\$ 1	\$ 5,096	\$ 77	\$ 268
Receipts:							
Taxes	-	152,149	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	177	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,770	3,151	800	4,271	2,028	-
Total receipts	-	156,096	3,151	800	4,271	2,028	-
Disbursements:							
Personal services	-	38,805	-	-	-	-	-
Supplies	-	6,900	-	-	9,367	-	-
Other services and charges	-	21,225	-	-	-	1,388	-
Capital outlay	-	4,385	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	867	16,742	731	-	-	-
Total disbursements	-	72,182	16,742	731	9,367	1,388	-
Excess (deficiency) of receipts over disbursements	-	83,914	(13,591)	69	(5,096)	640	-
Cash and investments - ending	\$ 162	\$ 83,689	\$ 2,269	\$ 70	\$ -	\$ 717	\$ 268

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

	Ind. Housing Grant	Dui Task Force	Ileaf Cop Grant	Agressive Driving Grant	Chemical Task Grant	2009 Chemical Task Grant	In Highway Safety Program
Cash and investments - beginning	\$ -	\$ 1,938	\$ 11	\$ -	\$ (3,685)	\$ -	\$ 361
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	41,699	2,178	-	1,491	-	3,200	2,210
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>41,699</u>	<u>2,178</u>	<u>-</u>	<u>1,491</u>	<u>-</u>	<u>3,200</u>	<u>2,210</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	41,699	3,034	-	1,482	490	3,084	2,330
Total disbursements	<u>41,699</u>	<u>3,034</u>	<u>-</u>	<u>1,482</u>	<u>490</u>	<u>3,084</u>	<u>2,330</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(856)</u>	<u>-</u>	<u>9</u>	<u>(490)</u>	<u>116</u>	<u>(120)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,082</u>	<u>\$ 11</u>	<u>\$ 9</u>	<u>\$ (4,175)</u>	<u>\$ 116</u>	<u>\$ 241</u>

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

	Rainy Day Fund	Aomc	Levy Excess Fund	Block Grant	Police Training/Schooling	Police Equip/Training Fund	Police Donation Fund
Cash and investments - beginning	\$ 15,715	\$ 10	\$ -	\$ 2	\$ 197	\$ 243	\$ 879
Receipts:							
Taxes	4,668	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	8,241	-	-	-	2,255
Total receipts	<u>4,668</u>	<u>-</u>	<u>8,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,255</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,115
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	13,891	-	8,241	-	-	-	-
Total disbursements	<u>13,891</u>	<u>-</u>	<u>8,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,115</u>
Excess (deficiency) of receipts over disbursements	<u>(9,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140</u>
Cash and investments - ending	<u>\$ 6,492</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 197</u>	<u>\$ 243</u>	<u>\$ 1,019</u>

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

	Slot Machine Wagering Fee	General Revenue Bond	Sewage Bond	Cumulative Capital Development	Police Equipment Court Funds	Cumulative Capital Improvement	Payroll Fund
Cash and investments - beginning	\$ -	\$ 82,079	\$ 30,488	\$ 16,949	\$ 7,917	\$ 1,480	\$ 5,918
Receipts:							
Taxes	-	-	-	8,001	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	56,131	-	-	58	-	24,605	-
Charges for services	-	58,800	-	-	-	-	-
Fines and forfeits	-	-	-	-	26,455	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	572,334
Total receipts	<u>56,131</u>	<u>58,800</u>	<u>-</u>	<u>8,059</u>	<u>26,455</u>	<u>24,605</u>	<u>572,334</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	11,073	34,372	1,145	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	54,830	85,632	30,488	156	-	-	571,979
Total disbursements	<u>54,830</u>	<u>85,632</u>	<u>30,488</u>	<u>11,229</u>	<u>34,372</u>	<u>1,145</u>	<u>571,979</u>
Excess (deficiency) of receipts over disbursements	<u>1,301</u>	<u>(26,832)</u>	<u>(30,488)</u>	<u>(3,170)</u>	<u>(7,917)</u>	<u>23,460</u>	<u>355</u>
Cash and investments - ending	<u>\$ 1,301</u>	<u>\$ 55,247</u>	<u>\$ -</u>	<u>\$ 13,779</u>	<u>\$ -</u>	<u>\$ 24,940</u>	<u>\$ 6,273</u>

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

	Sewage Operating	Sewage Depr. & Repl.	2008 State Revolving Fund Wastewater	Water Operating	Water Depreciation	Water Meter Deposit	Totals
Cash and investments - beginning	\$ 1,138	\$ 17,772	\$ -	\$ 141,438	\$ 94,226	\$ 34,451	\$ 773,645
Receipts:							
Taxes	-	-	-	-	-	-	634,577
Licenses and permits	-	-	-	-	-	-	1,275
Intergovernmental	-	-	1,800,627	-	-	-	2,316,378
Charges for services	-	-	-	-	-	-	178,496
Fines and forfeits	-	-	-	-	-	-	63,401
Utility fees	1,190,621	-	-	343,727	-	8,962	1,543,310
Other receipts	219,367	12,001	-	33,185	14,696	-	1,002,961
Total receipts	<u>1,409,988</u>	<u>12,001</u>	<u>1,800,627</u>	<u>376,912</u>	<u>14,696</u>	<u>8,962</u>	<u>5,740,398</u>
Disbursements:							
Personal services	-	-	-	-	-	-	593,476
Supplies	-	-	-	-	-	-	45,542
Other services and charges	-	-	-	-	-	-	243,553
Capital outlay	534,558	-	1,800,627	22,880	-	-	2,446,938
Utility operating expenses	449,351	-	-	236,522	-	4,663	690,536
Other disbursements	343,785	10,463	-	101,603	-	-	1,621,524
Total disbursements	<u>1,327,694</u>	<u>10,463</u>	<u>1,800,627</u>	<u>361,005</u>	<u>-</u>	<u>4,663</u>	<u>5,641,569</u>
Excess (deficiency) of receipts over disbursements	<u>82,294</u>	<u>1,538</u>	<u>-</u>	<u>15,907</u>	<u>14,696</u>	<u>4,299</u>	<u>98,829</u>
Cash and investments - ending	<u>\$ 83,432</u>	<u>\$ 19,310</u>	<u>\$ -</u>	<u>\$ 157,345</u>	<u>\$ 108,922</u>	<u>\$ 38,750</u>	<u>\$ 872,474</u>

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

	General Fund	M.V.H. Distribution	Local Road & Street	Town General Donation	Trash And Garbage	Local Law Enf. Cont. Ed.
Cash and investments - beginning	\$ 101,085	\$ 113,741	\$ 33,580	\$ 14	\$ 9,851	\$ 5,442
Receipts:						
Taxes	517,818	-	-	-	-	-
Licenses and permits	1,352	-	-	-	-	-
Intergovernmental	192,644	130,898	24,543	-	-	-
Charges for services	-	-	-	-	116,646	-
Fines and forfeits	24,693	-	-	-	-	2,027
Utility fees	-	-	-	-	-	-
Other receipts	62,733	-	-	-	-	-
Total receipts	<u>799,240</u>	<u>130,898</u>	<u>24,543</u>	<u>-</u>	<u>116,646</u>	<u>2,027</u>
Disbursements:						
Personal services	496,257	66,105	-	-	-	-
Supplies	23,241	10,997	-	-	-	-
Other services and charges	97,306	6,935	45,449	-	98,395	747
Capital outlay	8,347	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	12,312	-	-	-	18,025	-
Total disbursements	<u>637,463</u>	<u>84,037</u>	<u>45,449</u>	<u>-</u>	<u>116,420</u>	<u>747</u>
Excess (deficiency) of receipts over disbursements	<u>161,777</u>	<u>46,861</u>	<u>(20,906)</u>	<u>-</u>	<u>226</u>	<u>1,280</u>
Cash and investments - ending	<u>\$ 262,862</u>	<u>\$ 160,602</u>	<u>\$ 12,674</u>	<u>\$ 14</u>	<u>\$ 10,077</u>	<u>\$ 6,722</u>

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

	Riverboat	Indiana Criminal Justice	Park	Park Donation	Parade Donation	Fireworks Donation
Cash and investments - beginning	\$ 7,040	\$ 162	\$ 83,689	\$ 2,269	\$ 70	\$ -
Receipts:						
Taxes	-	-	62,220	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,580	-	967	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	3,118	2,998	1,180	4,083
Total receipts	<u>18,580</u>	<u>-</u>	<u>66,305</u>	<u>2,998</u>	<u>1,180</u>	<u>4,083</u>
Disbursements:						
Personal services	-	-	47,840	-	-	-
Supplies	-	-	5,807	-	-	4,000
Other services and charges	-	-	20,373	-	-	-
Capital outlay	-	-	4,630	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	8,080	-	-	3,105	565	-
Total disbursements	<u>8,080</u>	<u>-</u>	<u>78,650</u>	<u>3,105</u>	<u>565</u>	<u>4,000</u>
Excess (deficiency) of receipts over disbursements	<u>10,500</u>	<u>-</u>	<u>(12,345)</u>	<u>(107)</u>	<u>615</u>	<u>83</u>
Cash and investments - ending	<u>\$ 17,540</u>	<u>\$ 162</u>	<u>\$ 71,344</u>	<u>\$ 2,162</u>	<u>\$ 685</u>	<u>\$ 83</u>

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

	Diamond Celebration Fund	Flag/Christmas Donation	Ind. Housing Grant	Dui Task Force	Ileaf Cop Grant	Agressive Driving Grant
Cash and investments - beginning	\$ 717	\$ 268	\$ -	\$ 1,082	\$ 11	\$ 9
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	57,903	-	-	534
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	2,150	-	-	-	-	-
Total receipts	<u>2,150</u>	<u>-</u>	<u>57,903</u>	<u>-</u>	<u>-</u>	<u>534</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	268	-	-	-	-
Other services and charges	770	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	57,903	-	-	531
Total disbursements	<u>770</u>	<u>268</u>	<u>57,903</u>	<u>-</u>	<u>-</u>	<u>531</u>
Excess (deficiency) of receipts over disbursements	<u>1,380</u>	<u>(268)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Cash and investments - ending	<u>\$ 2,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,082</u>	<u>\$ 11</u>	<u>\$ 12</u>

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

	Chemical Task Grant	2009 Chemical Task Grant	In Highway Safety Program	Rainy Day Fund	Aomc	Levy Excess Fund
Cash and investments - beginning	\$ (4,175)	\$ 116	\$ 241	\$ 6,492	\$ 10	\$ -
Receipts:						
Taxes	-	-	-	4,567	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,699	2,234	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,457
Total receipts	<u>-</u>	<u>4,699</u>	<u>2,234</u>	<u>4,567</u>	<u>-</u>	<u>1,457</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	4,476	2,016	1,930	-	-
Total disbursements	<u>-</u>	<u>4,476</u>	<u>2,016</u>	<u>1,930</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>223</u>	<u>218</u>	<u>2,637</u>	<u>-</u>	<u>1,457</u>
Cash and investments - ending	<u>\$ (4,175)</u>	<u>\$ 339</u>	<u>\$ 459</u>	<u>\$ 9,129</u>	<u>\$ 10</u>	<u>\$ 1,457</u>

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

	Block Grant	Police Training/Schooling	Police Equip/Training Fund	Police Donation Fund	Loit-Public Safety	Slot Machine Wagering Fee
Cash and investments - beginning	\$ 2	\$ 197	\$ 243	\$ 1,019	\$ -	\$ 1,301
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	53,499	148,502
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	4,785	-	-
Total receipts	-	-	-	4,785	53,499	148,502
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	1,253	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	97,174
Total disbursements	-	-	-	1,253	-	97,174
Excess (deficiency) of receipts over disbursements	-	-	-	3,532	53,499	51,328
Cash and investments - ending	\$ 2	\$ 197	\$ 243	\$ 4,551	\$ 53,499	\$ 52,629

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

	General Revenue Bond	Cumulative Capital Development	Cumulative Capital Improvement	Food and Beverage Tax Sewer Plant	Payroll Fund	Sewage Operating
Cash and investments - beginning	\$ 55,247	\$ 13,779	\$ 24,940	\$ -	\$ 6,273	\$ 83,432
Receipts:						
Taxes	-	3,813	-	100,000	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	8,694	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	1,851,185
Other receipts	58,800	-	-	-	522,983	12,005
Total receipts	<u>58,800</u>	<u>3,813</u>	<u>8,694</u>	<u>100,000</u>	<u>522,983</u>	<u>1,863,190</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	12,000	6,062	-	-	573,556
Utility operating expenses	-	-	-	-	-	1,170,540
Other disbursements	57,346	-	12,940	-	522,469	55,686
Total disbursements	<u>57,346</u>	<u>12,000</u>	<u>19,002</u>	<u>-</u>	<u>522,469</u>	<u>1,799,782</u>
Excess (deficiency) of receipts over disbursements	<u>1,454</u>	<u>(8,187)</u>	<u>(10,308)</u>	<u>100,000</u>	<u>514</u>	<u>63,408</u>
Cash and investments - ending	<u>\$ 56,701</u>	<u>\$ 5,592</u>	<u>\$ 14,632</u>	<u>\$ 100,000</u>	<u>\$ 6,787</u>	<u>\$ 146,840</u>

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

	Sewage Depr. & Repl.	2008 State Revolving Fund Wastewater	Water Operating	Water Depreciation	Water Meter Deposit	Totals
Cash and investments - beginning	\$ 19,310	\$ -	\$ 157,345	\$ 108,922	\$ 38,750	\$ 872,474
Receipts:						
Taxes	-	-	-	-	-	688,418
Licenses and permits	-	-	-	-	-	1,352
Intergovernmental	-	641,114	-	-	-	1,284,811
Charges for services	-	-	-	-	-	116,646
Fines and forfeits	-	-	-	-	-	26,720
Utility fees	-	-	498,370	-	4,965	2,354,520
Other receipts	12,000	-	40,476	18,306	-	747,074
Total receipts	<u>12,000</u>	<u>641,114</u>	<u>538,846</u>	<u>18,306</u>	<u>4,965</u>	<u>5,219,541</u>
Disbursements:						
Personal services	-	-	-	-	-	610,202
Supplies	-	-	-	-	-	44,313
Other services and charges	-	-	-	-	-	269,975
Capital outlay	-	641,114	42,515	-	-	1,289,477
Utility operating expenses	-	-	235,156	-	4,945	1,410,641
Other disbursements	-	-	148,411	-	-	1,002,969
Total disbursements	<u>-</u>	<u>641,114</u>	<u>426,082</u>	<u>-</u>	<u>4,945</u>	<u>4,627,577</u>
Excess (deficiency) of receipts over disbursements	<u>12,000</u>	<u>-</u>	<u>112,764</u>	<u>18,306</u>	<u>20</u>	<u>591,964</u>
Cash and investments - ending	<u>\$ 31,310</u>	<u>\$ -</u>	<u>\$ 270,109</u>	<u>\$ 127,228</u>	<u>\$ 38,770</u>	<u>\$ 1,464,438</u>

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

The Town has the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Town Debt:		
Capital leases:		
Police Car Laptops	\$ 7,493	\$ 7,493
Bonds payable:		
General obligation bonds:		
Town Hall Renovations	373,672	59,755
Total Debt	\$ 381,165	\$ 67,248

The Wastewater Utility is receiving drawdowns on a State Revolving Loan project.
 The total debt balance of the State Revolving Loan project to date is \$5,922,234.

TOWN OF CHESTERFIELD
AUDIT RESULT(S) AND COMMENT(S)

CAPITAL ASSET RECORDS

As stated in several prior reports, most recently B34997, the Town did not maintain an inventory or record of capital assets for the town or utilities using the prescribed City/Town form 211 or an approved alternate form.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. 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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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TOWN OF CHESTERFIELD, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Chesterfield (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 its major federal program for the years ended December 31, 2009 and 2010. The Town's major federal program is 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 its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Town's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Town's management, town council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 19, 2011

TOWN OF CHESTERFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-09	Total Federal Awards Expended 12-31-10
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Housing and Community Development Authority State-Administered CDBG Cluster Community Development Block Grants/State's Programs and Non-Entitlement Grants in Hawaii	14.228	HD-007-004	\$ 41,699	\$ 57,903
Total for federal grantor agency			<u>41,699</u>	<u>57,903</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	09-01-01-09	7,588	2,210
Pass-Through Madison County Sheriff's Department		2009 2010	1,491 -	- 534
Total for program			<u>9,079</u>	<u>2,744</u>
Safety Belt Performance Grants	20.609	2010	-	2,234
Total for program			<u>-</u>	<u>2,234</u>
Total for cluster			<u>9,079</u>	<u>4,978</u>
Total for federal grantor agency			<u>9,079</u>	<u>4,978</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	WW0625481	720,251	256,446
Total for federal grantor agency			<u>720,251</u>	<u>256,446</u>
Total federal awards expended			<u>\$ 771,029</u>	<u>\$ 319,327</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF CHESTERFIELD
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Chesterfield (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

TOWN OF CHESTERFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

**FINDING 2010-1 - INTERNAL CONTROL MATERIAL WEAKNESS/
EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Federal Agency: U.S. Environmental Protection Agency
Federal Program: Capitalization Grants for Clean Water State Revolving Funds
CFDA number: 66.458
Federal award number: WW0625481
Pass-through entity: Indiana Finance Authority

TOWN OF CHESTERFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Town of Chesterfield and Utilities did not maintain a detailed capital asset record system which would account for all capital assets, including construction-in-progress, equipment or property purchased with Federal monies. During the audit period, \$976,696 of monies from the SRF loan was used to pay for construction, which should be accounted for as construction-in-progress in the unit's capital asset records. A system was not in place that separated and identified items acquired with Federal and non-Federal funds. Additionally, property and equipment inventories had not been conducted.

Pursuant to 40 CFR 31.32 (d) Management requirements:

"Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

Failure to maintain detailed and accurate equipment and property records and to reconcile physical inventory could result in assets being lost, stolen, misappropriated, or disposed of improperly and not detected within a reasonable time.

We recommended that the Town of Chesterfield design and properly monitor procedures that would ensure accurate detailed capital asset records are maintained and that inventories of property, equipment, and construction-in-progress are conducted at least once every two years and reconciled to the detailed capital asset ledger. Any significant differences should be investigated and the appropriate adjustments made to the records. Also any assets acquired with Federal Funds must be designated as such so that they are not disposed of improperly.

Town of Chesterfield
17 Veterans Blvd. P.O. Box 95
Chesterfield, In 46017
765-378-3331, FAX 765-378-4590

Summary Schedule of Prior Audit Findings

Finding Number- 2008-1

Original SBA Audit Report Number: B01012
Fiscal Year: 2007-2008
Auditee Contact Person: Candy S. Bennett
Title of Contact Person: Clerk Treasurer
Phone Number: 765-378-3331
Status of Finding:

Segregation of Duties: We now have separated jobs for better control. Utility Clerk now does all that concerns her job. She is responsible for all collections of utilities, balance daily, sewer liens, utility billing monthly, meter deposits, and daily bank deposits. All her deposits must be signed by one other person matching deposit up to print outs of balancing. Cash draw must be balance daily with \$200.00 in the draw. End of month reports must balance daily cash balances, we have a spread sheet for meter deposits that must balance monthly also.

Payroll is done by one person only. Once times cards are received she figures hours then they are given to Clerk Treasurer to double checks hours being paid that period. All time cards are to be signed by a supervisor. Once hours are posted in the computer that print out is also signed by Clerk Treasurer to match to time cards, this form is also presented to the Town Council to sign off on also for accuracy. We now use the payroll claim sheet which is also signed by the Town Council and Clerk Treasurer.

Monitoring of Controls- We now run a docket sheet on every check or manual that is printed for Town Council to sign. Clerk Treasurer looks at all claims puts appropriation numbers on all claims before the clerk puts on system and run checks. Claims are also looked at after posted before checks are sent out, same as manuals, Clerk also puts on all receipts, we have only one person who does all checks, manuals, and receipts. Once checks and manuals are ran a docket sheet is also ran and presented to the Town Council for approval. All deposits the clerk writes up are also signed by another to approve amount against receipt is correct for deposit. Bank Reconciliation is done by Clerk Treasurer once done a copy is ran along with a check register and fund report. This is presented to the Town Council to sign off on to verify everything balances all checks are there and match fund report. All clerks including myself have on our passwords to get on the system helps to verify who is doing what work and ensure no one else can get on our system. Passwords are changed every 30 days.

Candy S. Bennett

Town of Chesterfield
17 Veterans Blvd., P.O. Box 95
Chesterfield, In 46017
765-378-3331, Fax 765-378-4590

Summary Schedule of Prior Audit Findings

Finding Number – 2008-2

Original SBA Audit Report Number:	B01012
Fiscal Year:	2007-2008
Auditee Contact Person:	Candy S. Bennett
Title of Contact Person:	Clerk Treasurer
Phone Number:	765-378-3331
Status of Finding:	Capital Asset Report

Capital Assets; The Town of Chesterfield has now hired MuniLytics to do our Capital Assets in accordance with the requirements of GASB 34. They were contracted October 2010 are in the process of doing our Capital Asset report.

Candy S. Bennett

Town of Chesterfield
17 Veterans Blvd.
Chesterfield, In 46017

Candy Bennett, Clerk Treasurer

765-378-3331

CORRECTIVE ACTION PLAN

Finding 2010-1, Internal Control Material Weakness/Equipment and Real Property Management

Federal Agency: Environmental Protection Agency
Federal Program: Capitalization Grants for Clean Water State Revolving Funds
CFDA Number: 66.458
Auditee Contact Person: Candy Bennett
Title of Contact Person: Clerk-Treasurer
Phone Number: 765-378-3331
Expected Completion Date: December 31, 2011

The Town of Chesterfield has hired MuniLytics to do our Capital Asset Report, this report should be completed by December 31, 2011. With beginning values to work with, we will be able to track capital asset additions and deletions, including those acquired with and without Federal monies.



Candy Bennett
Chesterfield Clerk-Treasurer

7-7-2011

Date

TOWN OF CHESTERFIELD
EXIT CONFERENCE

The contents of this report were discussed at 2:00 p.m. on July 19, 2011, with Candy Bennett, Clerk-Treasurer; Karen Wilson, Town Council member; and Mike Retherford, Town Council member.

The contents of this report were discussed at 3:00 p.m. on July 19, 2011, with Candy Bennett, Clerk-Treasurer, and Ron Branham, President of the Town Council.

The Official Response has been made a part of this report and may be found on pages 42 and 43.

Town of Chesterfield
17 Veterans Blvd.
Chesterfield, In 46017

Candy Bennett, Clerk Treasurer

765-378-3331

Response to Audit Report 2009-2010

The Town of Chesterfield has hired MuniLytics to do our Capital Asset Report, this report should be completed by December 31, 2011. With beginning values to work with, we will be able to track capital asset additions and deletions, including those acquired with and without Federal monies.



Candy Bennett
Chesterfield Clerk-Treasurer



Date

Town of Chesterfield
17 Veterans Blvd.
Chesterfield, In 46017

Candy Bennett, Clerk Treasurer

765-378-3331

Response to Audit Report 2009-2010

The Town of Chesterfield has hired MuniLytics to do our Capital Asset Report, this report should be completed by December 31, 2011. With beginning values to work with, we will be able to track capital asset additions and deletions, including those acquired with and without Federal monies.



Candy Bennett
Chesterfield Clerk-Treasurer



Date