

B39471

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

EXAMINATION REPORT
OF
TOWN OF DANVILLE
HENDRICKS COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
10/11/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amy Roberts	01-01-08 to 12-31-11
President of the Town Council	Harold Jeffrey Martin	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DANVILLE, HENDRICKS COUNTY, INDIANA

We have examined the financial statement of the Town of Danville (Town), for the period of January 1, 2010 to December 31, 2010. The Town's management is responsible for the financial statement. 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 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 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 referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis 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. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine 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 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

September 2, 2011

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FINANCIAL STATEMENT

TOWN OF DANVILLE
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	\$ 900,086	\$ 4,341,961	\$ 4,519,822	\$ 722,225
Motor Vehicle Highway	258,266	338,646	299,578	297,334
Local Road and Street	854	89,175	86,234	3,795
Park Nonreverting	61,681	110,171	87,508	84,344
Parking Violations	13,751	11,695	8,934	16,512
Law Enforcement Continuing Education	13,671	6,258	15,409	4,520
Riverboat Wagering Fund	14,086	40,165	40,394	13,857
Fire Donations	2,068	2,675	1,667	3,076
Fire Private Grant	45	-	45	-
Pool and Park Donations	13,651	14,381	19,062	8,970
Rainy Day Fund	568,222	455,292	-	1,023,514
Economic Development Income Tax	2,287,738	792,624	2,586,375	493,987
Police Grant	71	6,335	6,377	29
Police Donations	6,631	9,990	7,391	9,230
TIF District	-	1,859,644	4,555	1,855,089
Host Community Agreement	217,653	945,626	667,257	496,022
Go Bonds	(2,251)	201,787	173,442	26,094
Park Bonds	11,654	122,874	101,763	32,765
Cumulative Capital Development	21,359	34,829	39,463	16,725
Cumulative Capital Improvement	21,527	18,792	31,731	8,588
Host Future Investment Fund	1,857,238	317,920	-	2,175,158
Blanton House	4,149	13,751	12,900	5,000
Payroll	31,421	4,316,335	4,308,356	39,400
Train Station Deposits	700	6,500	6,700	500
Stormwater Fund	10,101	241,475	132,378	119,198
Wastewater Utility Operating	129,910	1,605,771	1,612,602	123,079
Wastewater Utility Bond & Interest	122,347	684,002	676,151	130,198
Wastewater Utility Replacement	1,037,771	33,070	414,016	656,825
Wastewater Utility Construction	545,356	4,898	59,796	490,458
Wastewater Utility Escrow	4,816	(4,816)	-	-
Wastewater Utility Debt Reserve	673,221	-	-	673,221
Water Utility Operating	106,500	1,282,152	1,481,705	(93,053)
Water Utility Bond & Interest	94,301	372,000	370,654	95,647
Water Plant Replacement	818,472	28,271	-	846,743
Water Deposits	36,050	19,787	18,515	37,322
Water Utility Debt Reserve	371,475	-	-	371,475
	<u>\$ 10,254,591</u>	<u>\$ 18,324,036</u>	<u>\$ 17,790,780</u>	<u>\$ 10,787,847</u>

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

TOWN OF DANVILLE
NOTES TO FINANCIAL STATEMENT

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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric and storm water.

The accompanying financial statement presents 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 is 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 statement. 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.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

TOWN OF DANVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

License and permits which includes amounts received from businesses, occupations, or non-businesses 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 license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

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:

TOWN OF DANVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Personal services which includes 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 includes 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 includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Debt service principle and interest which includes 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.

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

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

TOWN OF DANVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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.

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 were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

TOWN OF DANVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 6. Pension Plans

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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF 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 DANVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	General	Motor Vehicle Highway	Local Road and Street	Park Nonreverting	Parking Violations	Law Enforcement Continuing Education	Riverboat Wagering Fund
Cash and investments - beginning	\$ 900,086	\$ 258,266	\$ 854	\$ 61,681	\$ 13,751	\$ 13,671	\$ 14,086
Receipts:							
Taxes	1,823,980	-	-	-	-	-	-
Licenses and permits	19,269	-	-	-	-	-	-
Intergovernmental	1,172,674	334,679	89,121	-	-	-	40,165
Charges for services	298,360	-	-	110,171	-	-	-
Fines and forfeits	15,272	-	-	-	11,695	6,258	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,012,406	3,967	54	-	-	-	-
Total receipts	<u>4,341,961</u>	<u>338,646</u>	<u>89,175</u>	<u>110,171</u>	<u>11,695</u>	<u>6,258</u>	<u>40,165</u>
Disbursements:							
Personal services	3,345,074	32,388	-	48,680	7,347	-	12,215
Supplies	276,686	119,620	86,234	-	1,587	-	-
Other services and charges	537,309	73,105	-	38,828	-	15,409	28,179
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	57,102	74,465	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	303,651	-	-	-	-	-	-
Total disbursements	<u>4,519,822</u>	<u>299,578</u>	<u>86,234</u>	<u>87,508</u>	<u>8,934</u>	<u>15,409</u>	<u>40,394</u>
Excess (deficiency) of receipts over disbursements	<u>(177,861)</u>	<u>39,068</u>	<u>2,941</u>	<u>22,663</u>	<u>2,761</u>	<u>(9,151)</u>	<u>(229)</u>
Cash and investments - ending	<u>\$ 722,225</u>	<u>\$ 297,334</u>	<u>\$ 3,795</u>	<u>\$ 84,344</u>	<u>\$ 16,512</u>	<u>\$ 4,520</u>	<u>\$ 13,857</u>

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

	Fire Donations	Fire Private Grant	Pool & Park Donations	Rainy Day Fund	Economic Development Income Tax	Police Grant
Cash and investments - beginning	\$ 2,068	\$ 45	\$ 13,651	\$ 568,222	\$ 2,287,738	\$ 71
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	183,666	514,226	6,335
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	2,675	-	14,381	271,626	278,398	-
Total receipts	<u>2,675</u>	<u>-</u>	<u>14,381</u>	<u>455,292</u>	<u>792,624</u>	<u>6,335</u>
Disbursements:						
Personal services	-	-	-	-	-	6,178
Supplies	-	45	-	-	-	-
Other services and charges	-	-	-	-	419,031	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	542,821	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,667	-	19,062	-	1,624,523	199
Total disbursements	<u>1,667</u>	<u>45</u>	<u>19,062</u>	<u>-</u>	<u>2,586,375</u>	<u>6,377</u>
Excess (deficiency) of receipts over disbursements	<u>1,008</u>	<u>(45)</u>	<u>(4,681)</u>	<u>455,292</u>	<u>(1,793,751)</u>	<u>(42)</u>
Cash and investments - ending	<u>\$ 3,076</u>	<u>\$ -</u>	<u>\$ 8,970</u>	<u>\$ 1,023,514</u>	<u>\$ 493,987</u>	<u>\$ 29</u>

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

	Police Donations	TIF District	Host Community Agreement	Go Bonds	Park Bonds	Cumulative Capital Development
Cash and investments - beginning	\$ 6,631	\$ -	\$ 217,653	\$ (2,251)	\$ 11,654	\$ 21,359
Receipts:						
Taxes	-	235,120	-	183,927	111,823	30,553
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	17,759	10,796	2,949
Charges for services	-	-	942,760	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	9,990	1,624,524	2,866	101	255	1,327
Total receipts	<u>9,990</u>	<u>1,859,644</u>	<u>945,626</u>	<u>201,787</u>	<u>122,874</u>	<u>34,829</u>
Disbursements:						
Personal services	-	-	-	-	-	3,337
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	6,468
Debt service - principal and interest	-	-	-	173,442	101,763	-
Capital outlay	-	-	323,579	-	-	29,658
Utility operating expenses	-	-	-	-	-	-
Other disbursements	7,391	4,555	343,678	-	-	-
Total disbursements	<u>7,391</u>	<u>4,555</u>	<u>667,257</u>	<u>173,442</u>	<u>101,763</u>	<u>39,463</u>
Excess (deficiency) of receipts over disbursements	<u>2,599</u>	<u>1,855,089</u>	<u>278,369</u>	<u>28,345</u>	<u>21,111</u>	<u>(4,634)</u>
Cash and investments - ending	<u>\$ 9,230</u>	<u>\$ 1,855,089</u>	<u>\$ 496,022</u>	<u>\$ 26,094</u>	<u>\$ 32,765</u>	<u>\$ 16,725</u>

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

	Cumulative Capital Improvement	Host Future Investment Fund	Blanton House	Payroll	Train Station Deposits	Stormwater Fund
Cash and investments - beginning	\$ 21,527	\$ 1,857,238	\$ 4,149	\$ 31,421	\$ 700	\$ 10,101
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,792	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	241,475
Other receipts	-	317,920	13,751	4,316,335	6,500	-
Total receipts	<u>18,792</u>	<u>317,920</u>	<u>13,751</u>	<u>4,316,335</u>	<u>6,500</u>	<u>241,475</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	31,731	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	12,900	4,308,356	6,700	132,378
Total disbursements	<u>31,731</u>	<u>-</u>	<u>12,900</u>	<u>4,308,356</u>	<u>6,700</u>	<u>132,378</u>
Excess (deficiency) of receipts over disbursements	<u>(12,939)</u>	<u>317,920</u>	<u>851</u>	<u>7,979</u>	<u>(200)</u>	<u>109,097</u>
Cash and investments - ending	<u>\$ 8,588</u>	<u>\$ 2,175,158</u>	<u>\$ 5,000</u>	<u>\$ 39,400</u>	<u>\$ 500</u>	<u>\$ 119,198</u>

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

	Wastewater Utility Operating	Wastewater Utility Bond & Interest	Wastewater Utility Replacement	Wastewater Utility Construction	Wastewater Utility Escrow	Wastewater Utility Debt Reserve
Cash and investments - beginning	\$ 129,910	\$ 122,347	\$ 1,037,771	\$ 545,356	\$ 4,816	\$ 673,221
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	1,605,771	-	-	-	(4,816)	-
Other receipts	-	684,002	33,070	4,898	-	-
Total receipts	<u>1,605,771</u>	<u>684,002</u>	<u>33,070</u>	<u>4,898</u>	<u>(4,816)</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	59,796	-	-
Utility operating expenses	928,602	-	-	-	-	-
Other disbursements	684,000	676,151	414,016	-	-	-
Total disbursements	<u>1,612,602</u>	<u>676,151</u>	<u>414,016</u>	<u>59,796</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,831)</u>	<u>7,851</u>	<u>(380,946)</u>	<u>(54,898)</u>	<u>(4,816)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 123,079</u>	<u>\$ 130,198</u>	<u>\$ 656,825</u>	<u>\$ 490,458</u>	<u>\$ -</u>	<u>\$ 673,221</u>

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

	Water Utility Operating	Water Utility Bond and Interest	Water Plant Replacement	Water Deposits	Water Utility Debt Reserve	Totals
Cash and investments - beginning	\$ 106,500	\$ 94,301	\$ 818,472	\$ 36,050	\$ 371,475	\$ 10,254,591
Receipts:						
Taxes	-	-	-	-	-	2,385,403
Licenses and permits	-	-	-	-	-	19,269
Intergovernmental	-	-	-	-	-	2,391,162
Charges for services	-	-	-	-	-	1,351,291
Fines and forfeits	-	-	-	-	-	33,225
Utility fees	1,282,126	-	-	-	-	3,124,556
Other receipts	<u>26</u>	<u>372,000</u>	<u>28,271</u>	<u>19,787</u>	<u>-</u>	<u>9,019,130</u>
Total receipts	<u>1,282,152</u>	<u>372,000</u>	<u>28,271</u>	<u>19,787</u>	<u>-</u>	<u>18,324,036</u>
Disbursements:						
Personal services	-	-	-	-	-	3,455,219
Supplies	-	-	-	-	-	484,172
Other services and charges	-	-	-	-	-	1,150,060
Debt service - principal and interest	-	-	-	-	-	275,205
Capital outlay	-	-	-	-	-	1,087,421
Utility operating expenses	-	-	-	18,515	-	947,117
Other disbursements	<u>1,481,705</u>	<u>370,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,391,586</u>
Total disbursements	<u>1,481,705</u>	<u>370,654</u>	<u>-</u>	<u>18,515</u>	<u>-</u>	<u>17,790,780</u>
Excess (deficiency) of receipts over disbursements	<u>(199,553)</u>	<u>1,346</u>	<u>28,271</u>	<u>1,272</u>	<u>-</u>	<u>533,256</u>
Cash and investments - ending	<u>\$ (93,053)</u>	<u>\$ 95,647</u>	<u>\$ 846,743</u>	<u>\$ 37,322</u>	<u>\$ 371,475</u>	<u>\$ 10,787,847</u>

TOWN OF DANVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 Decemeber 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Bonds payable:			
General obligation bonds:			
Park District GO Bonds of 2004	\$ 600,000	\$ 198,694	Park Bonds
Public Works GO Bonds of 2007	385,000	106,335	GO Bonds
Revenue bonds:			
Water Revenue Bonds of 2001	\$ 1,455,000	\$ 153,745	Water Utility Bond & Interest
Water Revenue Bonds of 2003	1,700,000	157,920	Water Utility Bond & Interest
Water Revenue Bonds of 2004	619,000	57,708	Water Utility Bond & Interest
Sewage Works Revenue Bonds of 1996	495,000	114,750	Wastewater Utility Bond & Interest
Sewage Works Revenue Bonds of 2005	<u>6,885,000</u>	<u>556,169</u>	Wastewater Utility Bond & Interest
 Total debt	 <u>\$ 12,139,000</u>	 <u>\$ 1,345,321</u>	

TOWN OF DANVILLE
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated that General Fund expenditures exceeded budgeted appropriations by \$43,009.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCE

The Water Utility Operating Fund was overdrawn by \$93,053 as of December 31, 2010. A similar comment appeared in prior Report B38647.

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

TOWN OF DANVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2011, with Amy Roberts, Clerk-Treasurer, and Harold Jeffrey Martin, President of the Town Council. The official response has been made a part of this report and may be found on page 23.

TOWN of DANVILLE

49 N Wayne Street ~ Danville, Indiana 46122
www.danvilleindiana.org

September 7, 2011

OFFICIAL RESPONSE

State Board of Accounts
302 W Washington St, Room E 418
Indianapolis IN 46204-2765

The Town of Danville would like to respond to the following results of the 2010 Examinaton:

Appropriation: We do agree that the budget was over expended in 2010 in error; however our records show it was by \$19,796.85 instead of the \$43,009.00.

Overdrawn Fund Balances: Ordinance 4-2011 was passed to increase Water rates. We hope to have a positive balance in 2011 or 2012.

Respectfully,



Amy J. Roberts
Clerk-Treasurer



Jeff Martin
Council President

TOWN COUNCIL

Jeff Martin, President
Marcia Lynch
Steve Hartsock
Richard Burrows
Mike Neilson

CLERK-TREASURER

Amy J. Roberts
745-4180

TOWN MANAGER

Gary Eakin
745-3001

TOWN PLANNER

Laura Parker
745-3007

SUPERINTENDENTS

Brad Andrews - Park
Keith Gill - Police
Mark Morgan - Fire
Rob Roberts - Public Works
Jerry Crisp - Wastewater
Jim Russell - Water

Thanks,

Amy J. Roberts

Amy J. Roberts
Clerk-Treasurer
aroberts@danvilleindiana.org