

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF BOURBON

MARSHALL COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
10/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kimberly A. Berger	01-01-08 to 12-31-11
President of the Town Council	Larry Wattenbarger Les McFarland	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BOURBON, MARSHALL COUNTY, INDIANA

We have examined the financial statement of the Town of Bourbon (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, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

September 7, 2011

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF BOURBON
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	\$ 442,219	\$ 723,703	\$ 722,372	\$ 443,550
Fire Equipment Replacement Fund	144,823	10,950	-	155,773
UTA Installment Prom Note Rep	51,187	275	-	51,462
MVH (Street)	97,176	205,560	198,087	104,649
Local Road & Street - LRS	4,923	12,830	6,360	11,393
Park Operating	222	-	-	222
Emergency Medical Services	87,362	1,298	-	88,660
Law Enforcement Continuing Ed	14,426	1,254	-	15,680
Pre-Trial Deferral Fund	931	-	-	931
Park Donation	3,027	-	-	3,027
Rainy Day	117,227	31,434	18,000	130,661
Indiana Criminal Justice Institute	135	-	-	135
Bourbon PD Dare Program	243	100	50	293
Criminal Justice - Pull Over	161	2,300	2,441	20
Economic Development Commission	229	-	-	229
Grant Fund	35,020	3,000	-	38,020
Town Of Bourbon - Donations	1,577	-	-	1,577
IN Dept Storm Water Rate Study	600	-	-	600
CDBG Block Grant - WW Eng	920	12,000	12,120	800
Sewage Works Revenue Bond	23,515	-	23,515	-
Marshall Cty Comm Foundation	2,967	-	227	2,740
Excess Levy	1	1,978	-	1,979
EMS-Radio Donation	13,059	-	-	13,059
EMS-Training/Equipment Donation	3,875	-	-	3,875
EMS-Ambulance/Equipment Donation	20,352	-	-	20,352
Debt Service	1,050	-	-	1,050
Cum Capital Development - CCD	107,105	14,229	9,431	111,903
Cumulative Capital Improvement	26,327	4,951	-	31,278
Payroll	2,190	526,935	527,043	2,082
Storm Water	55,120	108,778	105,698	58,200
Trash/Garbage	33,301	99,624	96,267	36,658
Wastewater - Operating	271,351	379,329	341,926	308,754
Wastewater - Bond & Interest	-	119,045	119,045	-
Wastewater Debt Service Reserve	109,239	10,793	24,140	95,892
Wastewater Improvement	40,000	-	-	40,000
Water - Operating	156,059	454,020	435,889	174,190
Water - Depreciation	165,047	-	-	165,047
Water - Meter Deposits	10,200	4,320	4,960	9,560
Totals	<u>\$ 2,043,166</u>	<u>\$ 2,728,706</u>	<u>\$ 2,647,571</u>	<u>\$ 2,124,301</u>

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

TOWN OF BOURBON
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, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, and trash.

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.

Licenses and permits which include 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 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 BOURBON
NOTES TO FINANCIAL STATEMENT
(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 statement. 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 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 BOURBON
NOTES TO FINANCIAL STATEMENT
(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 BOURBON
NOTES TO FINANCIAL STATEMENT
(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 statement. 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 any replacement items purchased.

Note 6. *Pension Plan*

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 BOURBON
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 and Annual Pension Cost

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

Note 7. Restatements and Reclassifications

For the year ended December 31, 2009, a change has been made to the financial statement to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances by fund.

Fund	Balance as Reported December 31, 2009	Prior Period Adjustments	Balance as Restated January 1, 2010
Wastewater - Bond & Interest	\$ 88,000	\$ (88,000)	\$ -
Wastewater - Debt Service Reserve	61,239	48,000	109,239
Wastewater Improvement	-	40,000	40,000

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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/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the Town. It is presented as intended by the Town.

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

	General	Fire Equipment Replacement Fund	UTA Installment Prom Note Rep	MVH (Street)	Local Road & Street - LRS	Park Operating
Cash and investments - beginning	\$ 442,219	\$ 144,823	\$ 51,187	\$ 97,176	\$ 4,923	\$ 222
Receipts:						
Taxes	628,387	-	-	138,481	-	-
Licenses and permits	1,365	-	-	-	-	-
Intergovernmental	64,937	-	-	57,066	12,830	-
Charges for services	1,690	-	-	-	-	-
Fines and forfeits	50	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	27,274	10,950	275	10,013	-	-
Total receipts	<u>723,703</u>	<u>10,950</u>	<u>275</u>	<u>205,560</u>	<u>12,830</u>	<u>-</u>
Disbursements:						
Personal services	388,333	-	-	89,719	-	-
Supplies	18,688	-	-	32,785	-	-
Other services and charges	256,317	-	-	47,666	6,360	-
Capital outlay	59,034	-	-	27,917	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>722,372</u>	<u>-</u>	<u>-</u>	<u>198,087</u>	<u>6,360</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,331</u>	<u>10,950</u>	<u>275</u>	<u>7,473</u>	<u>6,470</u>	<u>-</u>
Cash and investments - ending	<u>\$ 443,550</u>	<u>\$ 155,773</u>	<u>\$ 51,462</u>	<u>\$ 104,649</u>	<u>\$ 11,393</u>	<u>\$ 222</u>

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

	Emergency Medical Services	Law Enforcement Continuing Ed	Pre-Trial Deferral Fund	Park Donation	Rainy Day	Indiana Criminal Justice Institute
Cash and investments - beginning	\$ 87,362	\$ 14,426	\$ 931	\$ 3,027	\$ 117,227	\$ 135
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	530	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	467	266	-	-	31,434	-
Fines and forfeits	-	458	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	831	-	-	-	-	-
Total receipts	<u>1,298</u>	<u>1,254</u>	<u>-</u>	<u>-</u>	<u>31,434</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	18,000	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,298</u>	<u>1,254</u>	<u>-</u>	<u>-</u>	<u>13,434</u>	<u>-</u>
Cash and investments - ending	<u>\$ 88,660</u>	<u>\$ 15,680</u>	<u>\$ 931</u>	<u>\$ 3,027</u>	<u>\$ 130,661</u>	<u>\$ 135</u>

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

	Bourbon PD Dare Program	Criminal Justice - Pull Over	Economic Development Commission	Grant Fund	Town Of Bourbon - Donations	IN Dept Storm Water Rate Study
Cash and investments - beginning	\$ 243	\$ 161	\$ 229	\$ 35,020	\$ 1,577	\$ 600
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,300	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	100	-	-	3,000	-	-
Total receipts	<u>100</u>	<u>2,300</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	2,441	-	-	-	-
Supplies	50	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>50</u>	<u>2,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>50</u>	<u>(141)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 293</u>	<u>\$ 20</u>	<u>\$ 229</u>	<u>\$ 38,020</u>	<u>\$ 1,577</u>	<u>\$ 600</u>

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

	CDBG Block Grant - WW Eng	Sewage Works Revenue Bond	Marshall Cty Comm Foundation	Excess Levy	EMS- Radio Donation	EMS- Training/Equipment Donation
Cash and investments - beginning	\$ 920	\$ 23,515	\$ 2,967	\$ 1	\$ 13,059	\$ 3,875
Receipts:						
Taxes	-	-	-	1,978	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	12,000	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>1,978</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	12,120	23,515	227	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>12,120</u>	<u>23,515</u>	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(120)</u>	<u>(23,515)</u>	<u>(227)</u>	<u>1,978</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 2,740</u>	<u>\$ 1,979</u>	<u>\$ 13,059</u>	<u>\$ 3,875</u>

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

	EMS- Ambulance/Equipment Donation	Debt Service	Cum Capital Development - CCD	Cumulative Capital Improvement	Payroll
Cash and investments - beginning	\$ 20,352	\$ 1,050	\$ 107,105	\$ 26,327	\$ 2,190
Receipts:					
Taxes	-	-	12,777	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	1,452	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	4,951	526,935
Total receipts	-	-	14,229	4,951	526,935
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Capital outlay	-	-	9,431	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	527,043
Total disbursements	-	-	9,431	-	527,043
Excess (deficiency) of receipts over disbursements	-	-	4,798	4,951	(108)
Cash and investments - ending	\$ 20,352	\$ 1,050	\$ 111,903	\$ 31,278	\$ 2,082

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

	Storm Water	Trash/Garbage	Wastewater - Operating	Wastewater - Bond & Interest	Wastewater Debt Service Reserve
Cash and investments - beginning	\$ 55,120	\$ 33,301	\$ 271,351	\$ -	\$ 109,239
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	99,779	97,140	313,736	-	-
Penalties	2,229	2,484	7,654	-	-
Other receipts	6,770	-	57,939	119,045	10,793
Total receipts	<u>108,778</u>	<u>99,624</u>	<u>379,329</u>	<u>119,045</u>	<u>10,793</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Capital outlay	-	-	71,504	-	-
Utility operating expenses	-	96,267	240,701	-	-
Other disbursements	105,698	-	29,721	119,045	24,140
Total disbursements	<u>105,698</u>	<u>96,267</u>	<u>341,926</u>	<u>119,045</u>	<u>24,140</u>
Excess (deficiency) of receipts over disbursements	<u>3,080</u>	<u>3,357</u>	<u>37,403</u>	<u>-</u>	<u>(13,347)</u>
Cash and investments - ending	<u>\$ 58,200</u>	<u>\$ 36,658</u>	<u>\$ 308,754</u>	<u>\$ -</u>	<u>\$ 95,892</u>

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

	Wastewater Improvement	Water - Operating	Water - Depreciation	Water - Meter Deposits	Totals
Cash and investments - beginning	\$ 40,000	\$ 156,059	\$ 165,047	\$ 10,200	\$ 2,043,166
Receipts:					
Taxes	-	-	-	-	781,623
Licenses and permits	-	-	-	-	1,895
Intergovernmental	-	-	-	-	150,585
Charges for services	-	-	-	-	33,857
Fines and forfeits	-	-	-	-	508
Utility fees	-	281,323	-	-	791,978
Penalties	-	5,248	-	-	17,615
Other receipts	-	167,449	-	4,320	950,645
Total receipts	-	454,020	-	4,320	2,728,706
Disbursements:					
Personal services	-	-	-	-	480,493
Supplies	-	-	-	-	51,523
Other services and charges	-	-	-	-	346,205
Capital outlay	-	269,405	-	-	455,291
Utility operating expenses	-	129,635	-	4,960	471,563
Other disbursements	-	36,849	-	-	842,496
Total disbursements	-	435,889	-	4,960	2,647,571
Excess (deficiency) of receipts over disbursements	-	18,131	-	(640)	81,135
Cash and investments - ending	\$ 40,000	\$ 174,190	\$ 165,047	\$ 9,560	\$ 2,124,301

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

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

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 261,363
Infrastructure	589,057
Buildings	1,441,928
Improvements other than buildings	204,323
Machinery and equipment	<u>534,867</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,031,538</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 235,473
Infrastructure	1,974,272
Building	445,026
Improvements other than buildings	676,678
Machinery and equipment	<u>258,038</u>
Total Water Utility capital assets	<u>3,589,487</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	158,368
Infrastructure	2,170,755
Improvements other than buildings	1,139,801
Machinery and equipment	<u>670,330</u>
Total Wastewater Utility capital assets	<u>4,139,254</u>
Total business-type activities capital assets not being depreciated	<u>\$ 7,728,741</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Loan:		
Radio Meter System Loan	\$ 70,000	\$ 12,430
Wastewater Utility:		
Capital lease:		
Vactor Capital Lease	93,886	34,703
Loan:		
Radio Meter System Loan	70,000	12,430
Revenue bonds:		
2006 Sewage Works Revenue Bonds	1,045,000	126,245
Total Wastewater Utility	1,208,886	173,378
Total business-type activities debt	\$ 1,278,886	\$ 185,808

TOWN OF BOURBON, MARSHALL COUNTY
EXAMINATION RESULT AND COMMENT

FEES

Ordinance 2010-02 specifies the fees which should be collected for the rental of the Bourbon Senior Center. The Ordinance also includes a provision for the waiving or adjustment of fees for special circumstances but only with the approval of the Bourbon Town Council. A review of rental fees collected in 2010 indicated several which were not in agreement with the Ordinance but the council minutes did not include any references to the approval of these adjusted fees.

Each governmental unit is responsible for complying with the ordinances, resolutions and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BOURBON
EXIT CONFERENCE

The contents of this report were discussed on September 7, 2011, with Kimberly A. Berger, Clerk-Treasurer, and Les McFarland, President of the Town Council. The officials concurred with our finding.