

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF LEAVENWORTH

CRAWFORD COUNTY, INDIANA

January 1, 2009 to December 31, 2010



**FILED**  
11/16/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bonnie Young	01-01-08 to 12-31-11
President of the Town Council	John W. Stutzman	01-01-09 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 LEAVENWORTH, CRAWFORD COUNTY, INDIANA

We have examined the financial statements of the Town of Leavenworth (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. 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 statements 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 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 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.

The Combining Schedules 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 statements. They have not been subjected to the examination procedures applied to the financial statements 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 6, 2011

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## FINANCIAL STATEMENTS

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

TOWN OF LEAVENWORTH  
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	\$ 49,977	\$ 41,107	\$ 63,129	\$ 27,955
Motor Vehicle Highway	24,668	9,333	19,037	14,964
Local Road And Street	6,157	1,778	3,500	4,435
Cemetery Operating	25,789	3,084	3,680	25,193
Economic Development Operating	3,227	11,658	13,122	1,763
Plan Commission	219	136	-	355
Law Enforcement Continuing Education	344	50	-	394
Riverboat	43,012	32,999	66,009	10,002
Parks And Recreation	8,410	10,003	13,146	5,267
Fire Prevention	23,895	57,763	57,943	23,715
Rainy Day	1,195	1,040	-	2,235
Cumulative Capital Improvement	9,337	1,082	1,294	9,125
Leavenworth Community Center	1,230	2,430	3,492	168
Wastewater Utility-Operating	139,695	278,095	271,906	145,884
Wastewater - Depreciation	1,200	-	-	1,200
Wastewater - Bond & Interest	8,056	107,568	115,624	-
Water Utility-Operating	31,125	121,811	128,900	24,036
Water Utility - Customer Deposits	4,658	285	-	4,943
Totals	<u>\$ 382,194</u>	<u>\$ 680,222</u>	<u>\$ 760,782</u>	<u>\$ 301,634</u>

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

TOWN OF LEAVENWORTH  
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	\$ 27,956	\$ 43,888	\$ 26,101	\$ 45,743
Motor Vehicle Highway	14,964	9,230	10,364	13,830
Local Road And Street	4,435	1,809	330	5,914
Cemetery Operating	25,193	5,820	4,880	26,133
Economic Development Operating	1,763	11,142	4,159	8,746
Plan Commission	355	63	200	218
Law Enforcement Continuing Education	394	220	-	614
Riverboat	10,002	34,545	10,756	33,791
Community Building/Center	168	2,935	2,828	275
Fire Prevention	23,715	70,040	70,213	23,542
Rainy Day	2,235	1,422	-	3,657
Cumulative Capital Improvement	9,125	1,034	-	10,159
Park And Recreation Improvements	5,267	9,541	8,751	6,057
Wastewater Utility-Operating	145,884	271,047	268,031	148,900
Wastewater Utility-Depreciation	1,200	-	-	1,200
Water Utility-Operating	24,035	113,761	110,852	26,944
Water Utility-Customer Deposits	4,943	375	-	5,318
Totals	<u>\$ 301,634</u>	<u>\$ 576,872</u>	<u>\$ 517,465</u>	<u>\$ 361,041</u>

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

TOWN OF LEAVENWORTH  
NOTES TO FINANCIAL STATEMENTS

**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, trash, and urban redevelopment and housing.

The accompanying financial statements present 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 statements 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 LEAVENWORTH  
NOTES TO FINANCIAL STATEMENTS  
(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 LEAVENWORTH  
NOTES TO FINANCIAL STATEMENTS  
(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 LEAVENWORTH  
NOTES TO FINANCIAL STATEMENTS  
(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.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are 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 LEAVENWORTH  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road And Street	Cemetery Operating	Economic Development Operating	Plan Commission	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 49,977	\$ 24,668	\$ 6,157	\$ 25,789	\$ 3,227	\$ 219	\$ 344
Receipts:							
Taxes	16,085	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	136	40
Intergovernmental	18,212	9,333	1,778	-	11,658	-	-
Charges for services	-	-	-	1,000	-	-	10
Fines and forfeits	1,208	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,602	-	-	2,084	-	-	-
Total receipts	<u>41,107</u>	<u>9,333</u>	<u>1,778</u>	<u>3,084</u>	<u>11,658</u>	<u>136</u>	<u>50</u>
Disbursements:							
Personal services	13,431	1,195	-	480	-	-	-
Supplies	401	-	-	-	-	-	-
Other services and charges	49,297	17,842	3,500	3,200	4,498	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	8,624	-	-
Total disbursements	<u>63,129</u>	<u>19,037</u>	<u>3,500</u>	<u>3,680</u>	<u>13,122</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(22,022)</u>	<u>(9,704)</u>	<u>(1,722)</u>	<u>(596)</u>	<u>(1,464)</u>	<u>136</u>	<u>50</u>
Cash and investments - ending	<u>\$ 27,955</u>	<u>\$ 14,964</u>	<u>\$ 4,435</u>	<u>\$ 25,193</u>	<u>\$ 1,763</u>	<u>\$ 355</u>	<u>\$ 394</u>

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

	Riverboat	Parks And Recreation	Fire Prevention	Rainy Day	Cumulative Capital Improvement	Leavenworth Community Center
Cash and investments - beginning	\$ 43,012	\$ 8,410	\$ 23,895	\$ 1,195	\$ 9,337	\$ 1,230
Receipts:						
Taxes	-	-	1,621	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	32,999	-	18,352	1,040	1,082	-
Charges for services	-	-	23,921	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	10,003	13,869	-	-	2,430
Total receipts	<u>32,999</u>	<u>10,003</u>	<u>57,763</u>	<u>1,040</u>	<u>1,082</u>	<u>2,430</u>
Disbursements:						
Personal services	-	292	2,500	-	-	-
Supplies	-	-	120	-	-	-
Other services and charges	66,009	12,854	21,672	-	1,294	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	33,651	-	-	3,492
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>66,009</u>	<u>13,146</u>	<u>57,943</u>	<u>-</u>	<u>1,294</u>	<u>3,492</u>
Excess (deficiency) of receipts over disbursements	<u>(33,010)</u>	<u>(3,143)</u>	<u>(180)</u>	<u>1,040</u>	<u>(212)</u>	<u>(1,062)</u>
Cash and investments - ending	<u>\$ 10,002</u>	<u>\$ 5,267</u>	<u>\$ 23,715</u>	<u>\$ 2,235</u>	<u>\$ 9,125</u>	<u>\$ 168</u>

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

	Wastewater Utility-Operating	Wastewater Utility-Depreciation	Wastewater Utility-Bond&Interest	Water Utility-Operating	Water Utility- Customer Deposits	Totals
Cash and investments - beginning	\$ 139,695	\$ 1,200	\$ 8,056	\$ 31,125	\$ 4,658	\$ 382,194
Receipts:						
Taxes	-	-	-	-	-	17,706
Licenses and permits	-	-	-	-	-	176
Intergovernmental	-	-	-	-	-	94,454
Charges for services	-	-	-	-	-	24,931
Fines and forfeits	-	-	-	-	-	1,208
Utility fees	87,236	-	-	30,191	-	117,427
Other receipts	190,859	-	107,568	91,620	285	424,320
Total receipts	<u>278,095</u>	<u>-</u>	<u>107,568</u>	<u>121,811</u>	<u>285</u>	<u>680,222</u>
Disbursements:						
Personal services	-	-	-	-	-	17,898
Supplies	-	-	-	-	-	521
Other services and charges	-	-	-	-	-	180,166
Debt service - principal and interest	74,661	-	115,624	6,286	-	196,571
Capital outlay	-	-	-	-	-	37,143
Utility operating expenses	106,017	-	-	106,527	-	212,544
Other disbursements	91,228	-	-	16,087	-	115,939
Total disbursements	<u>271,906</u>	<u>-</u>	<u>115,624</u>	<u>128,900</u>	<u>-</u>	<u>760,782</u>
Excess (deficiency) of receipts over disbursements	<u>6,189</u>	<u>-</u>	<u>(8,056)</u>	<u>(7,089)</u>	<u>285</u>	<u>(80,560)</u>
Cash and investments - ending	<u>\$ 145,884</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 24,036</u>	<u>\$ 4,943</u>	<u>\$ 301,634</u>

TOWN OF LEAVENWORTH  
 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	Cemetery Operating	Economic Development Operating	Plan Commission
Cash and investments - beginning	\$ 27,956	\$ 14,964	\$ 4,435	\$ 25,193	\$ 1,763	\$ 355
Receipts:						
Taxes	11,314	9,230	1,809	-	-	63
Intergovernmental	5,333	-	-	1,000	11,142	-
Charges for services	-	-	-	1,200	-	-
Fines and forfeits	1,009	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	26,232	-	-	3,620	-	-
Total receipts	<u>43,888</u>	<u>9,230</u>	<u>1,809</u>	<u>5,820</u>	<u>11,142</u>	<u>63</u>
Disbursements:						
Personal services	13,393	1,195	-	480	-	-
Supplies	422	-	-	-	-	-
Other services and charges	12,286	9,169	330	4,400	4,159	200
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>26,101</u>	<u>10,364</u>	<u>330</u>	<u>4,880</u>	<u>4,159</u>	<u>200</u>
Excess (deficiency) of receipts over disbursements	<u>17,787</u>	<u>(1,134)</u>	<u>1,479</u>	<u>940</u>	<u>6,983</u>	<u>(137)</u>
Cash and investments - ending	<u>\$ 45,743</u>	<u>\$ 13,830</u>	<u>\$ 5,914</u>	<u>\$ 26,133</u>	<u>\$ 8,746</u>	<u>\$ 218</u>

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

	Law Enforcement Continuing Education	Riverboat	Community Building/Center	Fire Prevention	Rainy Day	Cumulative Capital Improvement
Cash and investments - beginning	\$ 394	\$ 10,002	\$ 168	\$ 23,715	\$ 2,235	\$ 9,125
Receipts:						
Taxes	220	-	-	924	-	-
Intergovernmental	-	34,545	-	20,585	-	1,034
Charges for services	-	-	-	32,492	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	2,935	16,039	1,422	-
Total receipts	<u>220</u>	<u>34,545</u>	<u>2,935</u>	<u>70,040</u>	<u>1,422</u>	<u>1,034</u>
Disbursements:						
Personal services	-	-	-	6,000	-	-
Supplies	-	-	-	44	-	-
Other services and charges	-	10,756	2,828	38,135	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	26,034	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>10,756</u>	<u>2,828</u>	<u>70,213</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>220</u>	<u>23,789</u>	<u>107</u>	<u>(173)</u>	<u>1,422</u>	<u>1,034</u>
Cash and investments - ending	<u>\$ 614</u>	<u>\$ 33,791</u>	<u>\$ 275</u>	<u>\$ 23,542</u>	<u>\$ 3,657</u>	<u>\$ 10,159</u>

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

	Park And Recreation Improvements	Wastewater Utility-Operating	Wastewater Utility-Depreciation	Water Utility-Operating	Water Utility- Customer Deposits	Totals
Cash and investments - beginning	\$ 5,267	\$ 145,884	\$ 1,200	\$ 24,035	\$ 4,943	\$ 301,634
Receipts:						
Taxes	-	-	-	-	-	23,560
Intergovernmental	-	-	-	-	-	73,639
Charges for services	-	-	-	-	-	33,692
Fines and forfeits	-	-	-	-	-	1,009
Utility fees	-	87,069	-	104,057	-	191,126
Other receipts	9,541	183,978	-	9,704	375	253,846
Total receipts	9,541	271,047	-	113,761	375	576,872
Disbursements:						
Personal services	372	-	-	-	-	21,440
Supplies	-	-	-	-	-	466
Other services and charges	8,379	-	-	-	-	90,642
Debt service - principal and interest	-	71,231	-	-	-	71,231
Capital outlay	-	-	-	-	-	26,034
Utility operating expenses	-	191,489	-	98,555	-	290,044
Other disbursements	-	5,311	-	12,297	-	17,608
Total disbursements	8,751	268,031	-	110,852	-	517,465
Excess (deficiency) of receipts over disbursements	790	3,016	-	2,909	375	59,407
Cash and investments - ending	\$ 6,057	\$ 148,900	\$ 1,200	\$ 26,944	\$ 5,318	\$ 361,041

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

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

	<u>Ending Balance</u>
Other:	
Capital assets, not being depreciated:	
Land	\$ 80,000
Infrastructure	13,221
Buildings	796,998
Improvements other than buildings	67,709
Machinery and equipment	<u>73,138</u>
Total other capital assets	<u>1,031,066</u>
Water Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	1,205,125
Machinery and equipment	<u>66,919</u>
Total Water Utility capital assets	<u>1,272,044</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	108,600
Buildings	796,866
Improvements other than buildings	3,485,069
Machinery and equipment	<u>29,541</u>
Total Wastewater Utility capital assets	<u>4,420,076</u>
Total capital assets not being depreciated	<u>\$ 6,723,187</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Notes and loans payable:			
Fire truck	\$ 88,451	\$ 18,198	Fire Prevention
State revolving	971,000	113,159	Wastewater - Bond & Interest, Wastewater Utility - Operating
Bonds payable:			
Revenue bonds:			
Wastewater improvement	<u>65,000</u>	<u>8,850</u>	Wastewater - Bond & Interest, Wastewater Utility - Operating
Total debt	<u>\$ 1,124,451</u>	<u>\$ 140,207</u>	

TOWN OF LEAVENWORTH  
EXAMINATION RESULT AND COMMENT

***ANNUAL FINANCIAL REPORT***

The records of the Town were reconciled to depository balances; however, the electronic annual report prepared for 2009 and 2010 had numerous errors and was not reconciled to ledger balances or depository balances.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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

TOWN OF LEAVENWORTH  
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2011, with Bonnie Young, Clerk-Treasurer, and John W. Stutzman, President of the Town Council. The officials concurred with our finding.