

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF FERDINAND

DUBOIS COUNTY, INDIANA

January 1, 2007 to December 31, 2010



FILED
12/07/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Beverly Schulthise	01-01-04 to 12-31-11
President of the Town Council	Kenneth J. Sicard	01-01-07 to 12-31-11
Superintendent of Water Utility	Henry Haake	01-01-07 to 12-31-11
Superintendent of Wastewater Utility	Roger Schaefer	01-01-07 to 12-31-11
Superintendent of Electric Utility	Henry Haake	01-01-07 to 12-31-11
Town Manager	Marc J. Steczyk	09-20-07 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FERDINAND, DUBOIS COUNTY, INDIANA

We have examined the financial statements of the Town of Ferdinand (Town), for the period of January 1, 2007 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, 2007, 2008, 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 for the years ended December 31, 2009 and 2010, 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. Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis were not presented for the years ended December 31, 2007 or 2008.

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

October 20, 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 FERDINAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
General	\$ 381,681	\$ 643,002	\$ 616,644	\$ 408,039
Petty Cash	1,600	-	-	1,600
Motor Vehicle Highway	177,936	250,300	293,086	135,150
Local Road And Street	29,921	15,455	575	44,801
Law Enforcement Continuing Ed	1,232	1,550	1,678	1,104
Riverboat	-	14,358	-	14,358
Parks And Recreation	70,319	166,404	130,605	106,118
Park Donation	-	5,600	-	5,600
Rainy Day	-	68,704	12,000	56,704
Cumulative Capital Development	27,698	49,045	45,769	30,974
Industrial Route	127,430	4,404	5,593	126,241
Forestry Grant	-	10,657	10,657	-
Co Economic Development Income Tax	80,097	135,009	85,478	129,628
Cumulative Capital Improvement	4,279	7,998	8,044	4,233
Fire Equipment Donation	9,000	13,495	13,845	8,650
Payroll	-	488,669	488,669	-
Electric Utility - Operating	2,476,812	2,427,112	2,299,829	2,604,095
Electric Utility - Deprec/Improve	990	129,052	128,931	1,111
Electric Utility - Customer Deposit	9,995	4,100	3,500	10,595
Electric Utility - Cash Reserve	1,008,569	8,711	-	1,017,280
Wastewater Utility - Operating	37,162	328,063	354,566	10,659
Wastewater Utility - Bond And Interest	635,193	170,442	202,691	602,944
Wastewater Utility - Deprec/Improve	232,150	168,658	293,301	107,507
Wastewater Utility - Customer Deposit	10,175	5,000	4,000	11,175
Wastewater Utility - Construction	179,365	4,250	-	183,615
Water Utility - Operating	449,717	440,802	442,223	448,296
Water Utility - Bond And Interest	3,122	4,500	7,322	300
Water Utility - Depreciation/Improve	4,620	108,295	112,323	592
Water Utility - Customer Deposit	12,175	4,850	4,300	12,725
Totals	<u>\$ 5,971,238</u>	<u>\$ 5,678,485</u>	<u>\$ 5,565,629</u>	<u>\$ 6,084,094</u>

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

TOWN OF FERDINAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
General	\$ 408,039	\$ 615,366	\$ 670,394	\$ 353,011
Petty Cash	1,600	-	-	1,600
Motor Vehicle Highway	135,150	374,123	296,172	213,101
Local Road And Street	44,801	15,031	1,325	58,507
Law Enforcement Continuing Ed	1,104	2,535	3,029	610
Riverboat	14,358	14,284	-	28,642
Parks And Recreation	106,118	181,356	234,823	52,651
Park Donation	5,600	42,000	39,400	8,200
Rainy Day	56,704	117,599	-	174,303
Hometown Competiveness Fund	-	10,481	10,481	-
Cumulative Capital Development	30,974	47,752	12,875	65,851
Industrial Route	126,241	3,647	-	129,888
Forestry Grant	-	5,500	5,356	144
Co Economic Development Income Tax	129,628	142,978	246,984	25,622
Cumulative Capital Improvement	4,233	7,405	5,011	6,627
Fire Equipment Donation	8,650	15,898	11,111	13,437
Christmas Decoration Fund	-	16,671	7,160	9,511
Payroll	-	536,850	536,850	-
Electric Utility - Operating	2,604,095	2,330,173	2,672,523	2,261,745
Electric Utility - Deprec/Improve	1,111	150,000	150,828	283
Electric Utility - Customer Deposit	10,595	4,200	4,450	10,345
Electric Utility - Cash Reserve	1,017,280	37,771	125,000	930,051
Wastewater Utility - Operating	10,659	393,928	379,681	24,906
Wastewater Utility - Bond And Interest	602,944	153,477	202,606	553,815
Wastewater Utility - Deprec/Improve	107,507	253,577	64,090	296,994
Wastewater Utility - Customer Deposit	11,175	4,400	5,050	10,525
Wastewater Utility - Construction	183,615	9,546	193,161	-
Water Utility - Operating	448,296	442,054	370,647	519,703
Water Utility - Bond And Interest	300	7,200	7,142	358
Water Utility - Depreciation/Improve	592	17,327	14,935	2,984
Water Utility - Customer Deposit	12,725	4,400	5,200	11,925
Totals	<u>\$ 6,084,094</u>	<u>\$ 5,957,529</u>	<u>\$ 6,276,284</u>	<u>\$ 5,765,339</u>

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

TOWN OF FERDINAND
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	\$ 353,011	\$ 620,044	\$ 645,102	\$ 327,953
Petty Cash	1,600	-	-	1,600
Motor Vehicle Highway	213,101	349,896	321,566	241,431
Local Road And Street	58,507	14,297	650	72,154
Law Enforcement Continuing Ed	610	1,995	750	1,855
Riverboat	28,642	14,250	-	42,892
Parks And Recreation	52,651	159,278	182,477	29,452
Park Donation	8,200	17,844	14,795	11,249
Rainy Day	174,303	75,322	11,114	238,511
Levy Excess	-	5,338	-	5,338
Hometown Competiveness Fund	-	11,216	11,216	-
Cumulative Capital Development	65,851	46,878	14,860	97,869
Industrial Route	129,888	-	-	129,888
Forestry Grant	144	-	144	-
Co Economic Development Income Tax	25,622	146,659	132,193	40,088
Cumulative Capital Improvement	6,627	6,982	5,925	7,684
Fire Equipment Donation	13,437	-	9,597	3,840
Library Pathway Fund	-	11,749	11,749	-
Christmas Decoration Fund	9,511	601	9,906	206
Payroll	-	571,738	571,738	-
Electric Utility - Operating	2,261,745	2,819,014	2,992,458	2,088,301
Electric Utility - Deprec/Improve	283	353,955	351,905	2,333
Electric Utility - Customer Deposit	10,345	3,800	3,595	10,550
Electric Utility - Cash Reserve	930,051	45,244	35,000	940,295
Wastewater Utility - Operating	24,906	416,932	398,827	43,011
Wastewater Utility - Bond And Interest	553,815	214,911	203,404	565,322
Wastewater Utility - Deprec/Improve	296,994	93,655	73,096	317,553
Wastewater Utility - Customer Deposit	10,525	3,900	3,650	10,775
Water Utility - Operating	519,703	500,281	403,438	616,546
Water Utility - Bond And Interest	358	13,599	6,962	6,995
Water Utility - Depreciation/Improve	2,984	45,749	48,222	511
Water Utility - Customer Deposit	11,925	3,800	3,825	11,900
Totals	<u>\$ 5,765,339</u>	<u>\$ 6,568,927</u>	<u>\$ 6,468,164</u>	<u>\$ 5,866,102</u>

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

TOWN OF FERDINAND
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	\$ 327,953	\$ 895,869	\$ 665,862	\$ 557,960
Petty Cash	1,600	-	-	1,600
Motor Vehicle Highway	241,431	124,504	247,746	118,189
Local Road And Street	72,154	14,605	3,868	82,891
Law Enforcement Continuing Ed	1,855	1,155	489	2,521
Riverboat	42,892	14,249	-	57,141
Parks And Recreation	29,452	159,541	155,239	33,754
Park Donation	11,249	2,000	8,177	5,072
Rainy Day	238,511	63,397	9,308	292,600
Levy Excess	5,338	3,120	5,977	2,481
Hometown Competiveness Fund	-	6,194	6,194	-
Folk Festival Fund	-	15,361	15,361	-
Cumulative Capital Development	97,869	52,210	35,104	114,975
Industrial Route	129,888	40,000	-	169,888
Co Economic Development Income Tax	40,088	148,660	111,192	77,556
Cumulative Capital Improvement	7,684	6,667	5,830	8,521
Fire Equipment Donation	3,840	-	-	3,840
Christmas Decoration Fund	206	131	179	158
Payroll	-	907,717	907,717	-
Payroll/Tax/Ins. Clearing	-	191,078	191,078	-
Electric Utility - Operating	2,088,301	2,832,789	2,811,088	2,110,002
Electric Utility - Deprec/Improve	2,333	100,429	83,379	19,383
Electric Utility - Customer Deposit	10,550	5,100	4,450	11,200
Electric Utility - Cash Reserve	940,295	21,000	85,000	876,295
Wastewater Utility - Operating	43,011	388,834	391,138	40,707
Wastewater Utility - Bond And Interest	565,322	183,229	203,082	545,469
Wastewater Utility - Deprec/Improve	317,553	165,471	120,956	362,068
Wastewater Utility - Customer Deposit	10,775	5,014	4,039	11,750
Water Utility - Operating	616,546	526,377	564,417	578,506
Water Utility - Bond And Interest	6,995	-	6,783	212
Water Utility - Depreciation/Improve	511	188,747	177,496	11,762
Water Utility - Customer Deposit	11,900	5,300	4,300	12,900
Totals	<u>\$ 5,866,102</u>	<u>\$ 7,068,748</u>	<u>\$ 6,825,449</u>	<u>\$ 6,109,401</u>

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

TOWN OF FERDINAND
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, and electric.

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 FERDINAND
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 FERDINAND
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 FERDINAND
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/.

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

	General	Petty Cash	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation
Cash and investments - beginning	\$ 353,011	\$ 1,600	\$ 213,101	\$ 58,507	\$ 610	\$ 28,642	\$ 52,651
Receipts:							
Taxes	215,127	-	206,929	-	-	-	112,215
Licenses and permits	5,903	-	-	-	1,590	-	-
Intergovernmental	231,663	-	106,456	14,297	-	14,250	11,069
Charges for services	140,598	-	690	-	55	-	31,303
Fines and forfeits	175	-	-	-	350	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	26,578	-	35,821	-	-	-	4,691
Total receipts	<u>620,044</u>	<u>-</u>	<u>349,896</u>	<u>14,297</u>	<u>1,995</u>	<u>14,250</u>	<u>159,278</u>
Disbursements:							
Personal services	387,927	-	132,405	-	-	-	60,020
Supplies	27,477	-	41,803	-	-	-	8,890
Other services and charges	192,260	-	42,136	-	750	-	33,324
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	33,919	-	64,479	650	-	-	79,053
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,519	-	40,743	-	-	-	1,190
Total disbursements	<u>645,102</u>	<u>-</u>	<u>321,566</u>	<u>650</u>	<u>750</u>	<u>-</u>	<u>182,477</u>
Excess (deficiency) of receipts over disbursements	<u>(25,058)</u>	<u>-</u>	<u>28,330</u>	<u>13,647</u>	<u>1,245</u>	<u>14,250</u>	<u>(23,199)</u>
Cash and investments - ending	<u>\$ 327,953</u>	<u>\$ 1,600</u>	<u>\$ 241,431</u>	<u>\$ 72,154</u>	<u>\$ 1,855</u>	<u>\$ 42,892</u>	<u>\$ 29,452</u>

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

	Park Donation	Rainy Day	Levy Excess	Hometown Competiveness Fund	Cumulative Capital Development	Industrial Route	Forestry Grant
Cash and investments - beginning	\$ 8,200	\$ 174,303	\$ -	\$ -	\$ 65,851	\$ 129,888	\$ 144
Receipts:							
Taxes	-	-	-	-	42,665	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,000	36,893	-	8,000	4,213	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	12,844	38,429	5,338	3,216	-	-	-
Total receipts	17,844	75,322	5,338	11,216	46,878	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	11,216	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	14,795	11,114	-	-	14,457	-	144
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	403	-	-
Total disbursements	14,795	11,114	-	11,216	14,860	-	144
Excess (deficiency) of receipts over disbursements	3,049	64,208	5,338	-	32,018	-	(144)
Cash and investments - ending	\$ 11,249	\$ 238,511	\$ 5,338	\$ -	\$ 97,869	\$ 129,888	\$ -

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

	Co Economic Development Income Tax	Cumulative Capital Improvement	Fire Equipment Donation	Library Pathway Fund	Christmas Decoration Fund	Payroll	Electric Utility - Operating
Cash and investments - beginning	\$ 25,622	\$ 6,627	\$ 13,437	\$ -	\$ 9,511	\$ -	\$ 2,261,745
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	146,659	6,982	-	-	-	-	2,619
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	2,725,514
Other receipts	-	-	-	11,749	601	571,738	90,881
Total receipts	146,659	6,982	-	11,749	601	571,738	2,819,014
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	11,749	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	132,193	5,925	9,597	-	9,906	-	43,821
Utility operating expenses	-	-	-	-	-	-	2,472,573
Other disbursements	-	-	-	-	-	571,738	476,064
Total disbursements	132,193	5,925	9,597	11,749	9,906	571,738	2,992,458
Excess (deficiency) of receipts over disbursements	14,466	1,057	(9,597)	-	(9,305)	-	(173,444)
Cash and investments - ending	\$ 40,088	\$ 7,684	\$ 3,840	\$ -	\$ 206	\$ -	\$ 2,088,301

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

	Electric Utility - Deprec/Improve	Electric Utility - Customer Deposit	Electric Utility - Cash Reserve	Wastewater Utility - Operating	Wastewater Utility - Bond And Interest	Wastewater Utility - Deprec/Improve
Cash and investments - beginning	\$ 283	\$ 10,345	\$ 930,051	\$ 24,906	\$ 553,815	\$ 296,994
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	402,948	-	-
Other receipts	353,955	3,800	45,244	13,984	214,911	93,655
Total receipts	353,955	3,800	45,244	416,932	214,911	93,655
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	203,404	-
Capital outlay	351,905	-	-	27,933	-	73,096
Utility operating expenses	-	3,595	-	331,230	-	-
Other disbursements	-	-	35,000	39,664	-	-
Total disbursements	351,905	3,595	35,000	398,827	203,404	73,096
Excess (deficiency) of receipts over disbursements	2,050	205	10,244	18,105	11,507	20,559
Cash and investments - ending	\$ 2,333	\$ 10,550	\$ 940,295	\$ 43,011	\$ 565,322	\$ 317,553

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

	Wastewater Utility - Customer Deposit	Water Utility - Operating	Water Utility - Bond And Interest	Water Utility - Depreciation/Improve	Water Utility - Customer Deposit	Totals
Cash and investments - beginning	\$ 10,525	\$ 519,703	\$ 358	\$ 2,984	\$ 11,925	\$ 5,765,339
Receipts:						
Taxes	-	-	-	-	-	576,936
Licenses and permits	-	-	-	-	-	7,493
Intergovernmental	-	-	-	-	-	588,101
Charges for services	-	-	-	-	-	172,646
Fines and forfeits	-	-	-	-	-	525
Utility fees	-	486,350	-	-	-	3,614,812
Other receipts	3,900	13,931	13,599	45,749	3,800	1,608,414
Total receipts	3,900	500,281	13,599	45,749	3,800	6,568,927
Disbursements:						
Personal services	-	-	-	-	-	580,352
Supplies	-	-	-	-	-	78,170
Other services and charges	-	-	-	-	-	291,435
Debt service - principal and interest	-	-	6,962	-	-	210,366
Capital outlay	-	9,864	-	48,222	-	931,073
Utility operating expenses	3,650	302,228	-	-	3,825	3,117,101
Other disbursements	-	91,346	-	-	-	1,259,667
Total disbursements	3,650	403,438	6,962	48,222	3,825	6,468,164
Excess (deficiency) of receipts over disbursements	250	96,843	6,637	(2,473)	(25)	100,763
Cash and investments - ending	<u>\$ 10,775</u>	<u>\$ 616,546</u>	<u>\$ 6,995</u>	<u>\$ 511</u>	<u>\$ 11,900</u>	<u>\$ 5,866,102</u>

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

	General	Petty Cash	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation
Cash and investments - beginning	\$ 327,953	\$ 1,600	\$ 241,431	\$ 72,154	\$ 1,855	\$ 42,892	\$ 29,452
Receipts:							
Taxes	417,073	-	35,379	-	-	-	104,441
Licenses and permits	7,346	-	-	-	960	-	-
Intergovernmental	242,868	-	86,329	14,605	-	14,249	9,208
Charges for services	190,915	-	690	-	40	-	33,008
Fines and forfeits	50	-	-	-	155	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	37,617	-	2,106	-	-	-	12,884
Total receipts	<u>895,869</u>	<u>-</u>	<u>124,504</u>	<u>14,605</u>	<u>1,155</u>	<u>14,249</u>	<u>159,541</u>
Disbursements:							
Personal services	383,189	-	136,206	-	-	-	67,040
Supplies	33,070	-	41,854	-	-	-	12,130
Other services and charges	194,863	-	21,885	-	489	-	36,533
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	41,422	-	21,241	3,868	-	-	39,241
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	13,318	-	26,560	-	-	-	295
Total disbursements	<u>665,862</u>	<u>-</u>	<u>247,746</u>	<u>3,868</u>	<u>489</u>	<u>-</u>	<u>155,239</u>
Excess (deficiency) of receipts over disbursements	<u>230,007</u>	<u>-</u>	<u>(123,242)</u>	<u>10,737</u>	<u>666</u>	<u>14,249</u>	<u>4,302</u>
Cash and investments - ending	<u>\$ 557,960</u>	<u>\$ 1,600</u>	<u>\$ 118,189</u>	<u>\$ 82,891</u>	<u>\$ 2,521</u>	<u>\$ 57,141</u>	<u>\$ 33,754</u>

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

	Park Donation	Rainy Day	Levy Excess	Hometown Competiveness Fund	Folk Festival Fund	Cumulative Capital Development	Industrial Route
Cash and investments - beginning	\$ 11,249	\$ 238,511	\$ 5,338	\$ -	\$ -	\$ 97,869	\$ 129,888
Receipts:							
Taxes	-	-	-	-	-	42,464	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	37,397	-	-	3,000	3,746	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,000	26,000	3,120	6,194	12,361	6,000	40,000
Total receipts	2,000	63,397	3,120	6,194	15,361	52,210	40,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	6,194	15,361	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	8,177	9,308	-	-	-	34,998	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	5,977	-	-	106	-
Total disbursements	8,177	9,308	5,977	6,194	15,361	35,104	-
Excess (deficiency) of receipts over disbursements	(6,177)	54,089	(2,857)	-	-	17,106	40,000
Cash and investments - ending	\$ 5,072	\$ 292,600	\$ 2,481	\$ -	\$ -	\$ 114,975	\$ 169,888

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

	Co Economic Development Income Tax	Cumulative Capital Improvement	Fire Equipment Donation	Christmas Decoration Fund	Payroll	Payroll/Tax/Ins. Clearing	Electric Utility - Operating
Cash and investments - beginning	\$ 40,088	\$ 7,684	\$ 3,840	\$ 206	\$ -	\$ -	\$ 2,088,301
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	148,660	6,667	-	-	-	-	2,801
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	2,809,266
Other receipts	-	-	-	131	907,717	191,078	20,722
Total receipts	148,660	6,667	-	131	907,717	191,078	2,832,789
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	111,192	5,830	-	179	-	-	52,556
Utility operating expenses	-	-	-	-	-	-	2,552,779
Other disbursements	-	-	-	-	907,717	191,078	205,753
Total disbursements	111,192	5,830	-	179	907,717	191,078	2,811,088
Excess (deficiency) of receipts over disbursements	37,468	837	-	(48)	-	-	21,701
Cash and investments - ending	\$ 77,556	\$ 8,521	\$ 3,840	\$ 158	\$ -	\$ -	\$ 2,110,002

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

	Electric Electric Utility Deprec/Improve	Electric Utility - Customer Deposit	Electric Utility - Cash Reserve	Wastewater Utility - Operating	Wastewater Utility - Bond And Interest	Wastewater Utility - Deprec/Improve
Cash and investments - beginning	\$ 2,333	\$ 10,550	\$ 940,295	\$ 43,011	\$ 565,322	\$ 317,553
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	382,263	-	-
Other receipts	100,429	5,100	21,000	6,571	183,229	165,471
Total receipts	100,429	5,100	21,000	388,834	183,229	165,471
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	203,082	-
Capital outlay	83,379	-	-	15,638	-	120,956
Utility operating expenses	-	4,450	-	335,688	-	-
Other disbursements	-	-	85,000	39,812	-	-
Total disbursements	83,379	4,450	85,000	391,138	203,082	120,956
Excess (deficiency) of receipts over disbursements	17,050	650	(64,000)	(2,304)	(19,853)	44,515
Cash and investments - ending	\$ 19,383	\$ 11,200	\$ 876,295	\$ 40,707	\$ 545,469	\$ 362,068

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

	Wastewater Utility - Customer Deposit	Water Utility - Operating	Water Utility - Bond And Interest	Water Utility - Depreciation/Improve	Water Utility - Customer Deposit	Totals
Cash and investments - beginning	\$ 10,775	\$ 616,546	\$ 6,995	\$ 511	\$ 11,900	\$ 5,866,102
Receipts:						
Taxes	-	-	-	-	-	599,357
Licenses and permits	-	-	-	-	-	8,306
Intergovernmental	-	-	-	-	-	569,530
Charges for services	-	-	-	-	-	224,653
Fines and forfeits	-	-	-	-	-	205
Utility fees	-	512,197	-	-	-	3,703,726
Other receipts	5,014	14,180	-	188,747	5,300	1,962,971
Total receipts	<u>5,014</u>	<u>526,377</u>	<u>-</u>	<u>188,747</u>	<u>5,300</u>	<u>7,068,748</u>
Disbursements:						
Personal services	-	-	-	-	-	586,435
Supplies	-	-	-	-	-	87,054
Other services and charges	-	-	-	-	-	275,325
Debt service - principal and interest	-	-	6,783	-	-	209,865
Capital outlay	-	48,221	-	177,496	-	773,702
Utility operating expenses	4,039	296,170	-	-	4,300	3,197,426
Other disbursements	-	220,026	-	-	-	1,695,642
Total disbursements	<u>4,039</u>	<u>564,417</u>	<u>6,783</u>	<u>177,496</u>	<u>4,300</u>	<u>6,825,449</u>
Excess (deficiency) of receipts over disbursements	<u>975</u>	<u>(38,040)</u>	<u>(6,783)</u>	<u>11,251</u>	<u>1,000</u>	<u>243,299</u>
Cash and investments - ending	<u>\$ 11,750</u>	<u>\$ 578,506</u>	<u>\$ 212</u>	<u>\$ 11,762</u>	<u>\$ 12,900</u>	<u>\$ 6,109,401</u>

TOWN OF FERDINAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 Decemeber 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.

	Ending Balance
Town:	
Capital assets, not being depreciated:	
Land	\$ 26,025
Infrastructure	1,166,458
Buildings	1,798,131
Improvements other than buildings	6,940,106
Machinery and equipment	2,302,955
Construction in progress	32,914
Total other capital assets	\$ 12,266,589

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Water Utility:		
1996 Build Indiana Fund loan payable:		
Southside water main	\$ 43,558	\$ 6,604
Wastewater Utility:		
1996 Build Indiana Fund loan payable:		
Southside sewer main	137,067	20,782
Revenue bonds:		
Wastewater treatment plant	<u>3,007,000</u>	<u>181,882</u>
Total Wastewater Utility	<u>3,144,067</u>	<u>202,664</u>
Total debt	<u>\$ 3,187,625</u>	<u>\$ 209,268</u>

TOWN OF FERDINAND
EXAMINATION RESULTS AND COMMENTS

PERSONAL USE OF TOWN OWNED VEHICLE

An automobile is furnished by the Town to the Town Manager. The Town Manager is permitted to use the car for personal driving as well as for Town business. No log was being maintained showing personal miles driven. No additional income was shown on employee's W-2 forms.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Town did not comply with directives of Indiana Office of Community and Rural Affairs by not completing the necessary reports required in the grant agreement. The grant agreement stated that the grantee was to provide a report 6 months and 12 months from the date of grant execution that included a project narrative and a financial report.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FERDINAND
EXAMINATION RESULTS AND COMMENTS
(Continued)

DONATIONS

Donations are being made from Town funds.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS - UTILITIES

The Utilities do not maintain sufficient up-to-date detailed records of capital assets. Inventories of capital assets are not being taken. Figures reported in the Town's Financial Report do not agree with capital asset reports ran from the asset software system.

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. 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)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FERDINAND
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2011, with Kenneth J. Sicard, President of the Town Council; Marc J. Steczyk, Town Manager; and Beverly Schulthise, Clerk-Treasurer.