

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF VERSAILLES

RIPLEY COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
03/29/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kiersten B. Libby	01-01-08 to 12-31-15
President of the Town Council	John Holzer Sue Meisberger	01-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF VERSAILLES, RIPLEY COUNTY, INDIANA

We have examined the financial statement of the Town of Versailles (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 (Indiana Code 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity, 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

March 1, 2012

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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 VERSAILLES
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund Name	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 398,038	\$ 566,405	\$ 516,399	\$ 448,044
Economic Development Income Tax	38,561	37,416	28,997	46,980
Motor Vehicle Highway	37,201	92,433	83,529	46,105
Local Road And Street	951	14,396	7,393	7,954
Park And Recreation	24,075	30,134	20,686	33,523
Police Other - Accident Report	3,477	339	1,031	2,785
L.E.C.E. User Fees	14,851	7,989	11,899	10,941
Industrial Park Gift	7,040	-	-	7,040
Tyson Fund	479,964	356,980	359,279	477,665
Riverboat Police	38,699	13,994	10,213	42,480
Riverboat Park	44,249	9,796	-	54,045
Riverboat Water	-	41,983	-	41,983
Riverboat Wastewater	-	6,997	-	6,997
Riverboat Other	260,213	53,178	17,813	295,578
Belterra Riverboat	58,990	21,151	-	80,141
Riverboat Wagering Tax Revenue Sharing	49,870	11,164	-	61,034
Rainy Day	12,831	24,176	20,380	16,627
Law Enforcement Continuing Education	3,807	520	-	4,327
Riverboat Truck	29,339	13,995	13,113	30,221
Lawrenceburg City Grants	-	182,500	182,500	-
Rising Sun Foundation Grants	2,108	18,602	14,280	6,430
Mvh - Major Moves	18,536	-	-	18,536
Cumulative Capital Improvement	46,626	5,224	3,700	48,150
Cumulative Capital Development - Fire Building	(1,803)	-	-	(1,803)
Federal Grants Wastewater Treatment	7,690	1,929	9,619	-
Sidewalk Project	25	-	-	25
Payroll Perf	7,840	30,682	31,310	7,212
Payroll Federal Withholding	-	33,780	33,780	-
Payroll State Withholding	1,770	14,524	14,518	1,776
Payroll Fica	-	47,801	47,801	-
Payroll County Edit Withholding	560	5,280	5,277	563
Payroll Wage Garnishment	-	400	400	-
Payroll Aflac	84	-	-	84
Payroll Employee Dental	-	310	-	310
Payroll Employee Vision	-	22	-	22
Payroll Net Salaries	-	276,516	276,516	-
Payroll Medicare	-	11,179	11,179	-
Payroll Christmas Club	-	8,142	8,142	-
Payroll Child Support	-	4,425	4,425	-
Payroll Voluntary Perf	976	3,734	2,843	1,867
Wastewater Utility Operating	174,105	358,653	373,038	159,720
Wastewater Utility Bond And Interest	236,173	1,074	-	237,247
Wastewater Utility Depreciation	6,256	-	-	6,256
Wastewater Utility Debt Service Reserve	100,321	1,898	-	102,219
Water Utility Operating	36,753	490,883	478,976	48,660
Water Utility Bond And Interest	6,175	28	-	6,203
Water Utility Depreciation	71,828	-	-	71,828
Water Utility Customer Deposit	59,581	16,819	7,664	68,736
Water And Wastewater Utility Clearing Account	164,068	782,043	877,065	69,046
Town Court	119,281	338,956	437,546	20,691
Totals	\$ 2,561,109	\$ 3,938,450	\$ 3,911,311	\$ 2,588,248

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

TOWN OF VERSAILLES
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, trash (sanitation), and urban redevelopment and housing.

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 (Indiana Code 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, 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, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF VERSAILLES
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 county, 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, recycling fees, park rental fees, ordinance violations, fines and fees, 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:

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.

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.

TOWN OF VERSAILLES
NOTES TO FINANCIAL STATEMENT
(Continued)

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 (Indiana Code 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.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (Indiana Code 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.

TOWN OF VERSAILLES
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan

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 (Indiana Code 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:

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.

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

	General Fund	Economic Development Income Tax	Motor Vehicle Highway	Local Road and Street	Park and Recreation	Police Other - Accident Report	L.E.C.E. User Fees
Cash and investments - beginning	\$ 398,038	\$ 38,561	\$ 37,201	\$ 951	\$ 24,075	\$ 3,477	\$ 14,851
Receipts:							
Taxes	333,039	-	41,461	-	8,072	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	28,093	37,416	50,972	14,396	133	-	-
Charges for services	96,203	-	-	-	-	339	-
Fines and forfeits	66,061	-	-	-	-	-	7,989
Utility fees	-	-	-	-	-	-	-
Other receipts	43,009	-	-	-	21,929	-	-
Total receipts	<u>566,405</u>	<u>37,416</u>	<u>92,433</u>	<u>14,396</u>	<u>30,134</u>	<u>339</u>	<u>7,989</u>
Disbursements:							
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	516,399	28,997	83,529	7,393	20,686	1,031	11,899
Total disbursements	<u>516,399</u>	<u>28,997</u>	<u>83,529</u>	<u>7,393</u>	<u>20,686</u>	<u>1,031</u>	<u>11,899</u>
Excess (deficiency) of receipts over disbursements	<u>50,006</u>	<u>8,419</u>	<u>8,904</u>	<u>7,003</u>	<u>9,448</u>	<u>(692)</u>	<u>(3,910)</u>
Cash and investments - ending	<u>\$ 448,044</u>	<u>\$ 46,980</u>	<u>\$ 46,105</u>	<u>\$ 7,954</u>	<u>\$ 33,523</u>	<u>\$ 2,785</u>	<u>\$ 10,941</u>

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

	Industrial Park Gift	Tyson Fund	Riverboat Police	Riverboat Park	Riverboat Water	Riverboat Wastewater	Riverboat Other
Cash and investments - beginning	\$ 7,040	\$ 479,964	\$ 38,699	\$ 44,249	\$ -	\$ -	\$ 260,213
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	13,994	9,796	41,983	6,997	53,178
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	356,980	-	-	-	-	-
Total receipts	-	356,980	13,994	9,796	41,983	6,997	53,178
Disbursements:							
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	359,279	10,213	-	-	-	17,813
Total disbursements	-	359,279	10,213	-	-	-	17,813
Excess (deficiency) of receipts over disbursements	-	(2,299)	3,781	9,796	41,983	6,997	35,365
Cash and investments - ending	\$ 7,040	\$ 477,665	\$ 42,480	\$ 54,045	\$ 41,983	\$ 6,997	\$ 295,578

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

	Belterra Riverboat	Riverboat Wagering Tax Revenue Sharing	Rainy Day	Law Enforcement Continuing Education	Riverboat Truck	Lawrenceburg City Grants	Rising Sun Foundation Grants
Cash and investments - beginning	\$ 58,990	\$ 49,870	\$ 12,831	\$ 3,807	\$ 29,339	\$ -	\$ 2,108
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	490	-	-	-
Intergovernmental	21,151	11,164	24,176	-	13,995	182,500	18,602
Charges for services	-	-	-	30	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>21,151</u>	<u>11,164</u>	<u>24,176</u>	<u>520</u>	<u>13,995</u>	<u>182,500</u>	<u>18,602</u>
Disbursements:							
Capital outlay	-	-	-	-	13,113	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	20,380	-	-	182,500	14,280
Total disbursements	<u>-</u>	<u>-</u>	<u>20,380</u>	<u>-</u>	<u>13,113</u>	<u>182,500</u>	<u>14,280</u>
Excess (deficiency) of receipts over disbursements	<u>21,151</u>	<u>11,164</u>	<u>3,796</u>	<u>520</u>	<u>882</u>	<u>-</u>	<u>4,322</u>
Cash and investments - ending	<u>\$ 80,141</u>	<u>\$ 61,034</u>	<u>\$ 16,627</u>	<u>\$ 4,327</u>	<u>\$ 30,221</u>	<u>\$ -</u>	<u>\$ 6,430</u>

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

	MVH Major Moves	Cumulative Capital Improvement	Cumulative Capital Development - Fire Building	Federal Grants Wastewater Treatment	Sidewalk Project	Payroll PERF
Cash and investments - beginning	\$ 18,536	\$ 46,626	\$ (1,803)	\$ 7,690	\$ 25	\$ 7,840
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,224	-	1,929	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	30,682
Total receipts	-	5,224	-	1,929	-	30,682
Disbursements:						
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	3,700	-	9,619	-	31,310
Total disbursements	-	3,700	-	9,619	-	31,310
Excess (deficiency) of receipts over disbursements	-	1,524	-	(7,690)	-	(628)
Cash and investments - ending	\$ 18,536	\$ 48,150	\$ (1,803)	\$ -	\$ 25	\$ 7,212

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

	Payroll Federal Withholding	Payroll State Withholding	Payroll FICA	Payroll County EDIT Withholding	Payroll Wage Garnishment	Payroll AFLAC
Cash and investments - beginning	\$ -	\$ 1,770	\$ -	\$ 560	\$ -	\$ 84
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>33,780</u>	<u>14,524</u>	<u>47,801</u>	<u>5,280</u>	<u>400</u>	<u>-</u>
Total receipts	<u>33,780</u>	<u>14,524</u>	<u>47,801</u>	<u>5,280</u>	<u>400</u>	<u>-</u>
Disbursements:						
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>33,780</u>	<u>14,518</u>	<u>47,801</u>	<u>5,277</u>	<u>400</u>	<u>-</u>
Total disbursements	<u>33,780</u>	<u>14,518</u>	<u>47,801</u>	<u>5,277</u>	<u>400</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>6</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,776</u>	<u>\$ -</u>	<u>\$ 563</u>	<u>\$ -</u>	<u>\$ 84</u>

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

	Payroll Employee Dental	Payroll Employee Vision	Payroll Net Salaries	Payroll Medicare	Payroll Christmas Club	Payroll Child Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>310</u>	<u>22</u>	<u>276,516</u>	<u>11,179</u>	<u>8,142</u>	<u>4,425</u>
Total receipts	<u>310</u>	<u>22</u>	<u>276,516</u>	<u>11,179</u>	<u>8,142</u>	<u>4,425</u>
Disbursements:						
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	<u>276,516</u>	<u>11,179</u>	<u>8,142</u>	<u>4,425</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>276,516</u>	<u>11,179</u>	<u>8,142</u>	<u>4,425</u>
Excess (deficiency) of receipts over disbursements	<u>310</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 310</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll Voluntary PERF	Wastewater Utility Operating	Wastewater Utility Bond and Interest	Wastewater Utility Depreciation	Wastewater Utility Debt Service Reserve	Water Utility Operating
Cash and investments - beginning	\$ 976	\$ 174,105	\$ 236,173	\$ 6,256	\$ 100,321	\$ 36,753
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	353,057	-	-	-	455,555
Other receipts	3,734	5,596	1,074	-	1,898	35,328
Total receipts	3,734	358,653	1,074	-	1,898	490,883
Disbursements:						
Capital outlay	-	117,713	-	-	-	72,499
Utility operating expenses	-	224,422	-	-	-	352,361
Other disbursements	2,843	30,903	-	-	-	54,116
Total disbursements	2,843	373,038	-	-	-	478,976
Excess (deficiency) of receipts over disbursements	891	(14,385)	1,074	-	1,898	11,907
Cash and investments - ending	\$ 1,867	\$ 159,720	\$ 237,247	\$ 6,256	\$ 102,219	\$ 48,660

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

	Water Utility Bond and Interest	Water Utility Depreciation	Water Utility Customer Deposit	Water and Wastewater Utility Clearing Account	Town Court	Totals
Cash and investments - beginning	\$ 6,175	\$ 71,828	\$ 59,581	\$ 164,068	\$ 119,281	\$ 2,561,109
Receipts:						
Taxes	-	-	-	-	-	382,572
Licenses and permits	-	-	-	-	-	490
Intergovernmental	-	-	-	-	-	535,699
Charges for services	-	-	-	-	-	96,572
Fines and forfeits	-	-	-	-	-	74,050
Utility fees	-	-	-	-	-	808,612
Other receipts	<u>28</u>	<u>-</u>	<u>16,819</u>	<u>782,043</u>	<u>338,956</u>	<u>2,040,455</u>
Total receipts	<u>28</u>	<u>-</u>	<u>16,819</u>	<u>782,043</u>	<u>338,956</u>	<u>3,938,450</u>
Disbursements:						
Capital outlay	-	-	-	-	-	203,325
Utility operating expenses	-	-	7,664	-	-	584,447
Other disbursements	-	-	-	877,065	437,546	3,123,539
Total disbursements	<u>-</u>	<u>-</u>	<u>7,664</u>	<u>877,065</u>	<u>437,546</u>	<u>3,911,311</u>
Excess (deficiency) of receipts over disbursements	<u>28</u>	<u>-</u>	<u>9,155</u>	<u>(95,022)</u>	<u>(98,590)</u>	<u>27,139</u>
Cash and investments - ending	<u>\$ 6,203</u>	<u>\$ 71,828</u>	<u>\$ 68,736</u>	<u>\$ 69,046</u>	<u>\$ 20,691</u>	<u>\$ 2,588,248</u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Notes and loans payable:			
Water plant improvement loan 2007	\$ 365,682	\$ 156,182	Tyson Fund
Bonds payable:			
General obligation bonds:			
Firehouse construction bonds 1983	11,000	3,550	Cumulative Capital Development
Revenue bonds:			
Waterworks improvement bonds 1991	580,000	108,200	Tyson Fund
Wastewater improvement bonds 2004	<u>600,000</u>	<u>71,288</u>	Tyson Fund
Total debt	<u>\$ 1,556,682</u>	<u>\$ 339,220</u>	

TOWN OF VERSAILLES
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS (Applies to Clerk-Treasurer, Water Utility, and Wastewater Utility)

The Town does not maintain sufficient detailed records of capital assets for its governmental or enterprise fund activities. No inventory of capital assets has been taken. In addition, deletions and disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was made in Reports B33623 and B38399

REGISTER OF INVESTMENTS (Applies to Clerk-Treasurer)

Prescribed Form 350, Register of Investments, was not used by the Clerk-Treasurer to record investments in certificate of deposits during the examination period.

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 Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER NOT RECONCILED (Applies to Clerk-Treasurer and Water Utility)

The detailed customer deposit register balance does not reconcile with the funds ledger balance for the Water Utility Customer Deposit Fund at December 31, 2010. The fund ledger balance exceeded the customer deposit register balance by \$1,281.15. The following factors contributed to the variance:

1. When a customer's deposit was refunded, the portion of the deposit applied to the customer's outstanding account balance was transferred from the Water Utility Customer Deposit Fund to the Water Utility Operating Fund. However, the remaining portion of the deposit due the customer was paid from the Operating Fund and not the Customer Deposit Fund. The refund paid to the customer from the Operating Fund was not always reimbursed from the Customer Deposit Fund.

TOWN OF VERSAILLES
EXAMINATION RESULTS AND COMMENTS
(Continued)

2. We noted instances of customer deposit receipts and payments not recorded on the detailed customer deposit register.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was made in Reports B33623 and B38399.

ANNUAL REPORT (Applies to Clerk-Treasurer)

The 2010 City and Town Annual Report (CTAR-1) that reports the financial activity and cash and investment balances of the Town was filed timely with the Indiana State Board of Accounts but was not completed correctly. Disbursements are required to be classified by various categories (personal services, supplies, other services and charges, etc.) however, the majority of funds were classified as other disbursements rather than the appropriate category.

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 Towns, Chapter 7)

A similar comment was made in Report B38399.

TOWN OF VERSAILLES
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2012, with Kiersten B. Libby, Clerk Treasurer, and Sue Meisberger, President of the Town Council. The officials concurred with our findings.