

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF SELLERSBURG

CLARK COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
04/26/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	David L. Kinder	01-01-08 to 12-31-15
President of the Town Council	Brian K. Meyer Paul J. Rhodes	01-01-10 to 12-31-11 01-01-12 to 12-31-12
Director of Municipal Works	Kenneth J. Alexander	01-01-10 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SELLERSBURG, CLARK COUNTY, INDIANA

We have examined the financial statement of the Town of Sellersburg (Town), for the period of January 1, 2010 to December 31, 2010. The Town's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

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

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

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 13, 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 SELLERSBURG
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 FUND	\$ 774,125	\$ 2,608,764	\$ 2,694,271	\$ 688,618
PETTY/CASH FUND	1,350	-	-	1,350
STC RESTITUTION	250	347	342	255
FIELDHOUSE FUND	30,255	282,284	312,164	375
MOTOR VEHICLE HIGHWAY	19,060	165,320	141,486	42,894
LOCAL ROAD & STREET	35,591	63,142	17,838	80,895
PARK & RECREATION	77,975	145,525	125,707	97,793
VESTS FOR VALOR	505	-	505	-
LECE	39,474	8,186	2,002	45,658
CLERKS RECORD PERP FUND	5,218	564	-	5,782
DEFERRAL USER FEE FUND	2,818	-	-	2,818
POLICE GRANTS	2,301	87,480	88,664	1,117
RAINY DAY	295,422	109,630	100,000	305,052
CEDIT	432,966	176,383	212,156	397,193
POLICE FORFEITURE FUND	611	-	611	-
STC COLLECTIONS	12,840	77,185	73,412	16,613
SPD CHRISTMAS FOR KIDS	8,898	13,344	8,951	13,291
POLICE STATION FUND	2,356	-	499	1,857
WATER DEBT RESERVE	249,617	-	249,617	-
WW CD	166,000	-	-	166,000
CUM CAP DEVELOPMENT	134,485	48,786	99,221	84,050
POLICE EQUIPMENT FUND	2,983	-	2,725	258
CUM CAP IMP - CIG TAX	22,931	17,776	21,010	19,697
STC BONDS	47,157	7,600	12,114	42,643
PUBLIC SAFETY FUND	-	83,773	-	83,773
WW EXPANSION	455,584	83,640	24,069	515,155
RETIREE'S INSURANCE FUND	22,000	12,000	-	34,000
METRO POLICE PENSION	200,913	53,625	78,091	176,447
PAYROLL	171	2,400,732	2,400,887	16
WW OPERATING	173,099	1,895,531	2,013,104	55,526
WW BOND & INTEREST	1,277	455,595	448,125	8,747
WW TAP-IN	774,659	198,250	584,894	388,015
WW PETTY/CASH FUND	500	-	-	500
WW DEBT SERVICE	221,000	61,788	-	282,788
WATER OPERATING FUND	126,602	1,004,448	908,981	222,069
WATER B&I SINKING	45,194	318,961	302,527	61,628
UTILITY METER DEPOSIT	239,420	100	9,380	230,140
WATER CAPITAL IMPROVEMENT	20,344	12,336	4,235	28,445
WATER PETTY/CASH CHANGE	500	-	-	500
WATER CD	44,000	-	44,000	-
Totals	<u>\$ 4,690,451</u>	<u>\$ 10,393,095</u>	<u>\$ 10,981,588</u>	<u>\$ 4,101,958</u>

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

TOWN OF SELLERSBURG
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, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, trash, and economic development.

The accompanying financial statement presents the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or 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 SELLERSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, dog pound fees, emergency medical service fees, park rental fees, and swimming pool receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

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

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies 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.

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

TOWN OF SELLERSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

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 SELLERSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial 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 any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 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

TOWN OF SELLERSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

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

Plan Description

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

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

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

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

TOWN OF SELLERSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	GENERAL FUND	PETTY/CASH FUND	STC RESTITUTION	FIELDHOUSE FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	PARK & RECREATION
Cash and investments - beginning	\$ 774,125	\$ 1,350	\$ 250	\$ 30,255	\$ 19,060	\$ 35,591	\$ 77,975
Receipts:							
Taxes	1,596,912	-	-	-	-	-	-
Licenses and permits	23,060	-	-	-	50	-	-
Intergovernmental	681,696	-	-	-	165,270	63,142	3,923
Charges for services	247,003	-	-	282,284	-	-	141,602
Fines and forfeits	18,721	-	347	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	41,372	-	-	-	-	-	-
Total receipts	<u>2,608,764</u>	<u>-</u>	<u>347</u>	<u>282,284</u>	<u>165,320</u>	<u>63,142</u>	<u>145,525</u>
Disbursements:							
Personal services	1,871,904	-	-	-	-	-	58,785
Supplies	103,994	-	-	-	-	-	23,596
Other services and charges	505,204	-	-	312,164	137,289	17,838	29,928
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	164,599	-	-	-	4,197	-	12,963
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	48,570	-	342	-	-	-	435
Total disbursements	<u>2,694,271</u>	<u>-</u>	<u>342</u>	<u>312,164</u>	<u>141,486</u>	<u>17,838</u>	<u>125,707</u>
Excess (deficiency) of receipts over disbursements	<u>(85,507)</u>	<u>-</u>	<u>5</u>	<u>(29,880)</u>	<u>23,834</u>	<u>45,304</u>	<u>19,818</u>
Cash and investments - ending	<u>\$ 688,618</u>	<u>\$ 1,350</u>	<u>\$ 255</u>	<u>\$ 375</u>	<u>\$ 42,894</u>	<u>\$ 80,895</u>	<u>\$ 97,793</u>

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

	VESTS FOR VALOR	LECE	CLERKS RECORD PERP FUND	DEFERRAL USER FEE FUND	POLICE GRANTS	RAINY DAY	CEDIT
Cash and investments - beginning	\$ 505	\$ 39,474	\$ 5,218	\$ 2,818	\$ 2,301	\$ 295,422	\$ 432,966
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	3,590	-	-	-	-	-
Intergovernmental	-	-	-	-	87,480	109,630	176,383
Charges for services	-	4,596	-	-	-	-	-
Fines and forfeits	-	-	564	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	8,186	564	-	87,480	109,630	176,383
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	100,000	-
Other services and charges	505	-	-	-	-	-	212,156
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	2,002	-	-	88,664	-	-
Total disbursements	505	2,002	-	-	88,664	100,000	212,156
Excess (deficiency) of receipts over disbursements	(505)	6,184	564	-	(1,184)	9,630	(35,773)
Cash and investments - ending	\$ -	\$ 45,658	\$ 5,782	\$ 2,818	\$ 1,117	\$ 305,052	\$ 397,193

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

	POLICE FORFEITURE FUND	STC COLLECTIONS	SPD CHRISTMAS FOR KIDS	POLICE STATION FUND	WATER DEBT RESERVE	WW CD	CUM CAP DEVELOPMENT
Cash and investments - beginning	\$ 611	\$ 12,840	\$ 8,898	\$ 2,356	\$ 249,617	\$ 166,000	\$ 134,485
Receipts:							
Taxes	-	-	-	-	-	-	46,524
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,262
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	77,185	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	13,344	-	-	-	-
Total receipts	-	77,185	13,344	-	-	-	48,786
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	611	-	8,951	-	-	-	29,038
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	70,183
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	73,412	-	499	249,617	-	-
Total disbursements	611	73,412	8,951	499	249,617	-	99,221
Excess (deficiency) of receipts over disbursements	(611)	3,773	4,393	(499)	(249,617)	-	(50,435)
Cash and investments - ending	\$ -	\$ 16,613	\$ 13,291	\$ 1,857	\$ -	\$ 166,000	\$ 84,050

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

	POLICE EQUIPMENT FUND	CUM CAP IMP - CIG TAX	STC BONDS	PUBLIC SAFETY FUND	WW EXPANSION	RETIREE'S INSURANCE FUND	METRO POLICE PENSION
Cash and investments - beginning	\$ 2,983	\$ 22,931	\$ 47,157	\$ -	\$ 455,584	\$ 22,000	\$ 200,913
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	17,776	-	83,773	-	-	53,625
Charges for services	-	-	-	-	-	12,000	-
Fines and forfeits	-	-	7,600	-	-	-	-
Utility fees	-	-	-	-	83,640	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>17,776</u>	<u>7,600</u>	<u>83,773</u>	<u>83,640</u>	<u>12,000</u>	<u>53,625</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,725	7,412	12,114	-	-	-	78,091
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	13,598	-	-	24,069	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,725</u>	<u>21,010</u>	<u>12,114</u>	<u>-</u>	<u>24,069</u>	<u>-</u>	<u>78,091</u>
Excess (deficiency) of receipts over disbursements	<u>(2,725)</u>	<u>(3,234)</u>	<u>(4,514)</u>	<u>83,773</u>	<u>59,571</u>	<u>12,000</u>	<u>(24,466)</u>
Cash and investments - ending	<u>\$ 258</u>	<u>\$ 19,697</u>	<u>\$ 42,643</u>	<u>\$ 83,773</u>	<u>\$ 515,155</u>	<u>\$ 34,000</u>	<u>\$ 176,447</u>

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

	PAYROLL	WW OPERATING	WW BOND & INTEREST	WW TAP-IN	WW PETTY/CASH FUND	WW DEBT SERVICE	WATER OPERATING FUND
Cash and investments - beginning	\$ 171	\$ 173,099	\$ 1,277	\$ 774,659	\$ 500	\$ 221,000	\$ 126,602
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	1,697,877	-	-	-	-	862,576
Other receipts	2,400,732	197,654	455,595	198,250	-	61,788	141,872
Total receipts	<u>2,400,732</u>	<u>1,895,531</u>	<u>455,595</u>	<u>198,250</u>	<u>-</u>	<u>61,788</u>	<u>1,004,448</u>
Disbursements:							
Personal services	2,400,887	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	800	-	-	-	-
Debt service - principal and interest	-	-	447,325	-	-	-	18,300
Capital outlay	-	46,462	-	584,894	-	-	-
Utility operating expenses	-	1,449,065	-	-	-	-	839,246
Other disbursements	-	517,577	-	-	-	-	51,435
Total disbursements	<u>2,400,887</u>	<u>2,013,104</u>	<u>448,125</u>	<u>584,894</u>	<u>-</u>	<u>-</u>	<u>908,981</u>
Excess (deficiency) of receipts over disbursements	<u>(155)</u>	<u>(117,573)</u>	<u>7,470</u>	<u>(386,644)</u>	<u>-</u>	<u>61,788</u>	<u>95,467</u>
Cash and investments - ending	<u>\$ 16</u>	<u>\$ 55,526</u>	<u>\$ 8,747</u>	<u>\$ 388,015</u>	<u>\$ 500</u>	<u>\$ 282,788</u>	<u>\$ 222,069</u>

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

	WATER B&I SINKING	UTILITY METER DEPOSIT	WATER CAPITAL IMPROVEMENT	WATER PETTY/CASH CHANGE	WATER CD	Totals
Cash and investments - beginning	\$ 45,194	\$ 239,420	\$ 20,344	\$ 500	\$ 44,000	\$ 4,690,451
Receipts:						
Taxes	-	-	-	-	-	1,643,436
Licenses and permits	-	-	-	-	-	26,700
Intergovernmental	-	-	-	-	-	1,444,960
Charges for services	-	-	-	-	-	687,485
Fines and forfeits	-	-	-	-	-	104,417
Utility fees	-	-	-	-	-	2,644,093
Other receipts	318,961	100	12,336	-	-	3,842,004
Total receipts	<u>318,961</u>	<u>100</u>	<u>12,336</u>	<u>-</u>	<u>-</u>	<u>10,393,095</u>
Disbursements:						
Personal services	-	-	-	-	-	4,331,576
Supplies	-	-	-	-	-	227,590
Other services and charges	-	-	-	-	-	1,354,826
Debt service - principal and interest	302,527	-	-	-	-	768,152
Capital outlay	-	-	4,235	-	-	925,200
Utility operating expenses	-	9,380	-	-	-	2,297,691
Other disbursements	-	-	-	-	44,000	1,076,553
Total disbursements	<u>302,527</u>	<u>9,380</u>	<u>4,235</u>	<u>-</u>	<u>44,000</u>	<u>10,981,588</u>
Excess (deficiency) of receipts over disbursements	<u>16,434</u>	<u>(9,280)</u>	<u>8,101</u>	<u>-</u>	<u>(44,000)</u>	<u>(588,493)</u>
Cash and investments - ending	<u>\$ 61,628</u>	<u>\$ 230,140</u>	<u>\$ 28,445</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 4,101,958</u>

TOWN OF SELLERSBURG
 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
Governmental activities:	
Land	\$ 2,050,632
Infrastructure	4,205,839
Buildings	1,840,632
Improvements other than buildings	330,464
Machinery and equipment	<u>1,553,219</u>
Total governmental activities	<u>9,980,786</u>
Water Utility:	
Land	976,526
Buildings	789,020
Improvements other than buildings	4,956,909
Machinery and equipment	<u>181,808</u>
Total Water Utility	<u>6,904,263</u>
Wastewater Utility:	
Land	118,199
Buildings	734,263
Improvements other than buildings	26,677,784
Machinery and equipment	<u>1,293,444</u>
Total Wastewater Utility	<u>28,823,690</u>
Total capital assets	<u>\$ 45,708,739</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Office Building (1/3)	\$ 34,888	\$ 18,300
Total governmental activities debt	\$ 34,888	\$ 18,300
Business-type activities:		
Water Utility:		
Capital leases:		
Office Building (1/3)	\$ 34,888	\$ 18,300
Total Water Utility	34,888	18,300
Wastewater Utility:		
Capital leases:		
Office Building (1/3)	34,888	18,300
Revenue bonds:		
2003 Wastewater Refunding Bonds	1,735,000	394,503
2009 Wastewater Revenue Bonds	1,200,000	55,300
Total Wastewater Utility	2,969,888	468,103
Total business-type activities debt	\$ 3,004,776	\$ 486,403

TOWN OF SELLERSBURG
OTHER REPORT

The financial statement examination report presented herein was prepared in addition to an official report prepared for the individual Town office listed below:

Town Council

TOWN OF SELLERSBURG
EXIT CONFERENCE

The contents of this report were discussed on March 13, 2012, with David L. Kinder, Clerk-Treasurer; Michelle D. Miller, Chief Deputy Clerk-Treasurer; and Robin M. Jones, Deputy Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.