

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

FINANCIAL STATEMENTS AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF PAOLI
ORANGE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
09/12/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carolyn N. Clements Amy J. Morris	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Mark A. Jones	01-01-10 to 12-31-12
Utilities Office Manager	Cindy Padgett	01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PAOLI, ORANGE COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Paoli (Town), for the years ended December 31, 2010 and 2011. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 of accounting 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, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 23, 2012, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying

INDEPENDENT AUDITOR'S REPORT
(Continued)

accounting and other reports used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, federal awarding agencies, and pass-through entities 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

August 23, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF PAOLI, ORANGE COUNTY, INDIANA

We have audited the financial statements of the Town of Paoli (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated August 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, federal awarding agencies, and pass-through entities 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

August 23, 2012

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 42,045	\$ 812,581	\$ 758,097	\$ 96,529
Motor Vehicle Highway	9,772	159,214	127,121	41,865
Local Road And Street	4,595	13,725	17,380	940
Park Operating	3,986	75,057	65,431	13,612
Paoli Cemetery	23,564	500	51	24,013
Airport Operating	9,819	53,822	48,058	15,583
Parking Meters	6,362	-	-	6,362
Fireworks Donations	-	8,081	5,800	2,281
Law Enforcement Continuing Education	1,769	1,310	2,863	216
Riverboat Casino Fund	260,853	709,525	651,062	319,316
Park Concessions	14,544	29,886	32,265	12,165
Fall Festival	-	14,710	9,424	5,286
Awareness Day - Airport	2,714	2,275	3,072	1,917
Miscellaneous Grants	4,493	5,400	740	9,153
Rainy Day	22,365	9,367	4,725	27,007
Excess Levy	-	1,382	-	1,382
Airport Rental Deposit	(317)	1,960	1,545	98
Park Softball	5,221	10,131	9,438	5,914
Park Events	477	11,352	4,564	7,265
Gas Revolving - Airport	11,728	22,210	24,448	9,490
Industrial Development	88,316	51,122	100,210	39,228
Park Debt Service Reserve	534,000	356,000	356,000	534,000
Cumulative Capital Improvement	24,048	11,255	31,865	3,438
Cumulative Capital Development	113,446	47,121	1,000	159,567
Economic Development Income Tax	97,634	83,350	102,543	78,441
Airport Timber Sale/Construction	7,088	30,359	-	37,447
Sidewalk Fund	65,000	25,000	88,452	1,548
Payroll	13,160	1,769,058	1,761,923	20,295
Cemetery Money Market	-	21,305	3,443	17,862
Utility	-	5,977,028	5,977,028	-
Electric Operating	173,104	4,370,832	4,176,548	367,388
Electric Depreciation	170,783	1,331	-	172,114
Electric Meter Deposit	110,597	20,775	17,976	113,396
Electric Cash Change	300	-	-	300
Electric Building Fund	95,588	25,055	2,423	118,220
Electric Light Cash Reserve	60,000	4,078	-	64,078
Electric Debt Service Reserve	85,650	1,003	-	86,653
Sewer Operating	183,552	1,779,366	1,873,446	89,472
Wastewater Utility Bond And Interest	14,144	169,797	183,941	-
Sewer Building Fund	97,109	25,055	580	121,584
Sewer Bond And Interest - BNY	-	7,630	3,018	4,612
Sewer Debt Service Reserve - BNY	-	4,165	-	4,165
Sewer Debt Service Reserve	197,674	100,094	132,554	165,214
Water Operating	90,782	1,073,422	1,226,416	(62,212)
Water Bond And Interest	105,259	247,427	246,413	106,273
Water Depreciation	362	-	-	362
Water Meter Deposit	34,205	6,175	5,304	35,076
Water Tank Fund	16,640	-	-	16,640
Water Building Fund	92,134	25,056	71	117,119
Water Debt Service Reserve	145,486	32,935	-	178,421
Totals	\$ 3,040,051	\$ 18,208,282	\$ 18,057,238	\$ 3,191,095

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

TOWN OF PAOLI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments		Cash and Investments	
	01-01-11	Receipts	Disbursements	12-31-11
General	\$ 96,529	\$ 740,554	\$ 767,084	\$ 69,999
Motor Vehicle Highway	41,865	127,847	137,592	32,120
Local Road And Street	940	13,330	10,996	3,274
Airport Operating	15,583	53,915	51,155	18,343
Parking Meters	6,362	-	4,709	1,653
Economic Development Income Tax	78,441	73,452	84,471	67,422
Law Enforcement Contuing Education	216	720	54	882
Riverboat Casino Fund	319,316	744,449	754,513	309,252
Park Operating	13,612	63,551	62,659	14,504
Rainy Day	27,007	-	-	27,007
Gas Revolving - Airport	9,490	31,120	30,151	10,459
Cumulative Capital Improvement	3,438	11,039	7,387	7,090
Cumulative Capital Development	159,567	49,134	41,361	167,340
Industrial Development	39,228	19,348	-	58,576
Paoli Cemetery	24,013	500	100	24,413
Miscellaneous Grants	9,153	23,184	4,343	27,994
Park Debt Service Reserve	534,000	356,000	356,000	534,000
Fireworks Donations	2,281	7,987	7,069	3,199
Sidewalk Fund	1,548	29,848	31,396	-
Fall Festival	5,286	11,965	10,710	6,541
Airport Timber Sales/Construction	37,447	334,377	365,016	6,808
Airport Rental Deposit	98	2,569	1,780	887
Awareness Day - Airport	1,917	2,458	3,639	736
Park Concessions	12,165	29,320	30,547	10,938
Park Softball	5,914	9,015	8,044	6,885
Park Events	7,265	7,741	11,701	3,305
Park Storm Damage 2011	-	2,329	2,000	329
Payroll	20,295	1,713,620	1,708,898	25,017
Excess Levy	1,382	-	-	1,382
Utility	-	6,160,605	6,160,605	-
Cemetery Money Market	17,862	-	-	17,862
Electric Operating	367,388	4,449,861	4,177,028	640,221
Electric Meter Deposit	113,396	23,175	21,413	115,158
Electric Depreciation	172,114	619	-	172,733
Electric Debt Service Reserve	86,653	1,069	-	87,722
Electric Light Cash Reserve	64,078	716	-	64,794
Electric Building Fund	118,220	16,037	104,710	29,547
Electric Cash Change	300	-	-	300
Sewer Operating	89,472	1,259,269	1,244,496	104,245
Sewer Debt Service Reserve	165,214	1,597	14,214	152,597
Wastewater Utility Bond And Interest	-	177,330	163,465	13,865
Sewer Building Fund	121,584	10,838	132,422	-
Sewer Bond And Interest - BNY	4,612	35,664	34,375	5,901
Sewer Debt Service Reserve - BNY	4,165	7,140	-	11,305
Water Operating	(62,212)	1,559,479	1,469,955	27,312
Water Meter Deposit	35,076	6,350	6,668	34,758
Water Depreciation	362	-	362	-
Water Bond And Interest	106,273	247,695	246,050	107,918
Water Debt Service Reserve	178,421	26,415	-	204,836
Water Building Fund	117,119	10,837	127,956	-
Water Tank Fund	16,640	-	-	16,640
Totals	<u>\$ 3,191,095</u>	<u>\$ 18,454,068</u>	<u>\$ 18,397,094</u>	<u>\$ 3,248,069</u>

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

TOWN OF PAOLI
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

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 include 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.

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

TOWN OF PAOLI
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include 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.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF PAOLI
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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

	General	Motor Vehicle Highway	Local Road And Street	Park Operating	Paoli Cemetery	Airport Operating	Parking Meters
Cash and investments - beginning	\$ 42,045	\$ 9,772	\$ 4,595	\$ 3,986	\$ 23,564	\$ 9,819	\$ 6,362
Receipts:							
Taxes	306,779	40,083	-	28,882	-	27,382	-
Licenses and permits	1,670	-	-	-	-	-	-
Intergovernmental	303,765	104,797	13,725	3,385	-	3,759	-
Charges for services	71,255	597	-	2,790	500	-	-
Fines and forfeits	670	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	128,442	13,737	-	40,000	-	22,681	-
Total receipts	<u>812,581</u>	<u>159,214</u>	<u>13,725</u>	<u>75,057</u>	<u>500</u>	<u>53,822</u>	<u>-</u>
Disbursements:							
Personal services	-	37,482	-	65,431	-	-	-
Supplies	24,489	80,900	17,380	-	-	4,173	-
Other services and charges	265,988	8,739	-	-	-	15,982	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	13,405	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	454,215	-	-	-	51	27,903	-
Total disbursements	<u>758,097</u>	<u>127,121</u>	<u>17,380</u>	<u>65,431</u>	<u>51</u>	<u>48,058</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>54,484</u>	<u>32,093</u>	<u>(3,655)</u>	<u>9,626</u>	<u>449</u>	<u>5,764</u>	<u>-</u>
Cash and investments - ending	<u>\$ 96,529</u>	<u>\$ 41,865</u>	<u>\$ 940</u>	<u>\$ 13,612</u>	<u>\$ 24,013</u>	<u>\$ 15,583</u>	<u>\$ 6,362</u>

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

	Fireworks Donations	Law Enforcement Continuing Education	Riverboat Casino Fund	Park Concessions	Fall Festival	Awareness Day Airport	Miscellaneous Grants
Cash and investments - beginning	\$ -	\$ 1,769	\$ 260,853	\$ 14,544	\$ -	\$ 2,714	\$ 4,493
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	1,180	-	-	-	-	-
Intergovernmental	-	-	709,525	-	-	-	-
Charges for services	-	130	-	29,886	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,081	-	-	-	14,710	2,275	5,400
Total receipts	8,081	1,310	709,525	29,886	14,710	2,275	5,400
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,800	2,863	651,062	32,265	9,424	3,072	740
Total disbursements	5,800	2,863	651,062	32,265	9,424	3,072	740
Excess (deficiency) of receipts over disbursements	2,281	(1,553)	58,463	(2,379)	5,286	(797)	4,660
Cash and investments - ending	\$ 2,281	\$ 216	\$ 319,316	\$ 12,165	\$ 5,286	\$ 1,917	\$ 9,153

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

	Rainy Day	Excess Levy	Airport Rental Deposit	Park Softball	Park Events	Gas Revolving Airport	Industrial Development
Cash and investments - beginning	\$ 22,365	\$ -	\$ (317)	\$ 5,221	\$ 477	\$ 11,728	\$ 88,316
Receipts:							
Taxes	-	1,382	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	10,131	11,352	22,210	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	9,367	-	1,960	-	-	-	51,122
Total receipts	9,367	1,382	1,960	10,131	11,352	22,210	51,122
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,725	-	1,545	9,438	4,564	24,448	100,210
Total disbursements	4,725	-	1,545	9,438	4,564	24,448	100,210
Excess (deficiency) of receipts over disbursements	4,642	1,382	415	693	6,788	(2,238)	(49,088)
Cash and investments - ending	\$ 27,007	\$ 1,382	\$ 98	\$ 5,914	\$ 7,265	\$ 9,490	\$ 39,228

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

	Park Debt Service Reserve	Cumulative Capital Improvement	Cumulative Capital Development	Economic Development Income Tax	Airport Timber Sale/Construction	Sidewalk Fund
Cash and investments - beginning	\$ 534,000	\$ 24,048	\$ 113,446	\$ 97,634	\$ 7,088	\$ 65,000
Receipts:						
Taxes	-	-	41,433	-	-	25,000
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	5,688	83,350	-	-
Charges for services	-	-	-	-	30,359	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	356,000	11,255	-	-	-	-
Total receipts	356,000	11,255	47,121	83,350	30,359	25,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	31,865	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	1,000	-	-	88,452
Utility operating expenses	-	-	-	-	-	-
Other disbursements	356,000	-	-	102,543	-	-
Total disbursements	356,000	31,865	1,000	102,543	-	88,452
Excess (deficiency) of receipts over disbursements	-	(20,610)	46,121	(19,193)	30,359	(63,452)
Cash and investments - ending	\$ 534,000	\$ 3,438	\$ 159,567	\$ 78,441	\$ 37,447	\$ 1,548

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

	Payroll	Cemetery Money Market	Utility	Electric Operating	Electric Depreciation	Electric Meter Deposit
Cash and investments - beginning	\$ 13,160	\$ -	\$ -	\$ 173,104	\$ 170,783	\$ 110,597
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	236,741	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	4,014,204	-	-
Other receipts	1,769,058	21,305	5,977,028	119,887	1,331	20,775
Total receipts	1,769,058	21,305	5,977,028	4,370,832	1,331	20,775
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	23,203	-	-
Utility operating expenses	-	-	-	4,091,903	-	17,976
Other disbursements	1,761,923	3,443	5,977,028	61,442	-	-
Total disbursements	1,761,923	3,443	5,977,028	4,176,548	-	17,976
Excess (deficiency) of receipts over disbursements	7,135	17,862	-	194,284	1,331	2,799
Cash and investments - ending	\$ 20,295	\$ 17,862	\$ -	\$ 367,388	\$ 172,114	\$ 113,396

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

	Electric Cash Change	Electric Building Fund	Electric Light Cash Reserve	Electric Debt Service Reserve	Sewer Operating	Wastewater Utility-Bond And Interest
Cash and investments - beginning	\$ 300	\$ 95,588	\$ 60,000	\$ 85,650	\$ 183,552	\$ 14,144
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	829,649	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	937,011	-
Other receipts	-	25,055	4,078	1,003	12,706	169,797
Total receipts	-	25,055	4,078	1,003	1,779,366	169,797
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	63,208
Capital outlay	-	-	-	-	663,896	-
Utility operating expenses	-	2,423	-	-	975,876	-
Other disbursements	-	-	-	-	233,674	120,733
Total disbursements	-	2,423	-	-	1,873,446	183,941
Excess (deficiency) of receipts over disbursements	-	22,632	4,078	1,003	(94,080)	(14,144)
Cash and investments - ending	\$ 300	\$ 118,220	\$ 64,078	\$ 86,653	\$ 89,472	\$ -

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

	Sewer Building Fund	Sewer Bond And Interest BNY	Sewer Debt Service Reserve BNY	Sewer Debt Service Reserve	Water Operating	Water Bond And Interest
Cash and investments - beginning	\$ 97,109	\$ -	\$ -	\$ 197,674	\$ 90,782	\$ 105,259
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	88,874	14,184	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	1,043,346	-
Other receipts	25,055	7,630	4,165	11,220	15,892	247,427
Total receipts	<u>25,055</u>	<u>7,630</u>	<u>4,165</u>	<u>100,094</u>	<u>1,073,422</u>	<u>247,427</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	3,018	-	-	-	246,413
Capital outlay	580	-	-	-	14,685	-
Utility operating expenses	-	-	-	-	824,397	-
Other disbursements	-	-	-	132,554	387,334	-
Total disbursements	<u>580</u>	<u>3,018</u>	<u>-</u>	<u>132,554</u>	<u>1,226,416</u>	<u>246,413</u>
Excess (deficiency) of receipts over disbursements	<u>24,475</u>	<u>4,612</u>	<u>4,165</u>	<u>(32,460)</u>	<u>(152,994)</u>	<u>1,014</u>
Cash and investments - ending	<u>\$ 121,584</u>	<u>\$ 4,612</u>	<u>\$ 4,165</u>	<u>\$ 165,214</u>	<u>\$ (62,212)</u>	<u>\$ 106,273</u>

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

	Water Depreciation	Water Meter Deposit	Water Tank Fund	Water Building Fund	Water Debt Service Reserve	Totals
Cash and investments - beginning	\$ 362	\$ 34,205	\$ 16,640	\$ 92,134	\$ 145,486	\$ 3,040,051
Receipts:						
Taxes	-	-	-	-	-	470,941
Licenses and permits	-	-	-	-	-	2,850
Intergovernmental	-	-	-	-	-	2,397,442
Charges for services	-	-	-	-	-	179,210
Fines and forfeits	-	-	-	-	-	670
Utility fees	-	-	-	-	-	5,994,561
Other receipts	-	6,175	-	25,056	32,935	9,162,608
Total receipts	-	6,175	-	25,056	32,935	18,208,282
Disbursements:						
Personal services	-	-	-	-	-	102,913
Supplies	-	-	-	-	-	158,807
Other services and charges	-	-	-	-	-	290,709
Debt service - principal and interest	-	-	-	-	-	312,639
Capital outlay	-	-	-	71	-	805,292
Utility operating expenses	-	5,304	-	-	-	5,917,879
Other disbursements	-	-	-	-	-	10,468,999
Total disbursements	-	5,304	-	71	-	18,057,238
Excess (deficiency) of receipts over disbursements	-	871	-	24,985	32,935	151,044
Cash and investments - ending	\$ 362	\$ 35,076	\$ 16,640	\$ 117,119	\$ 178,421	\$ 3,191,095

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Airport Operating	Parking Meters	Economic Development Income Tax	Law Enforcement Contuing Education	Riverboat Casino Fund
Cash and investments - beginning	\$ 96,529	\$ 41,865	\$ 940	\$ 15,583	\$ 6,362	\$ 78,441	\$ 216	\$ 319,316
Receipts:								
Taxes	357,166	-	-	-	-	-	-	-
Licenses and permits	1,360	-	-	-	-	-	625	-
Intergovernmental	309,086	117,714	13,330	33,719	-	73,452	-	744,449
Charges for services	4,376	2,388	-	19,946	-	-	95	-
Fines and forfeits	725	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	67,841	7,745	-	250	-	-	-	-
Total receipts	740,554	127,847	13,330	53,915	-	73,452	720	744,449
Disbursements:								
Personal services	365,412	37,830	-	30,206	-	-	-	-
Supplies	31,253	83,161	10,996	3,610	-	-	-	-
Other services and charges	274,136	16,601	-	17,109	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	13,320	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	82,963	-	-	230	4,709	84,471	54	754,513
Total disbursements	767,084	137,592	10,996	51,155	4,709	84,471	54	754,513
Excess (deficiency) of receipts over disbursements	(26,530)	(9,745)	2,334	2,760	(4,709)	(11,019)	666	(10,064)
Cash and investments - ending	\$ 69,999	\$ 32,120	\$ 3,274	\$ 18,343	\$ 1,653	\$ 67,422	\$ 882	\$ 309,252

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Park Operating	Rainy Day	Gas Revolving Airport	Cumulative Capital Improvement	Cumulative Capital Development	Industrial Development	Paoli Cemetery	Miscellaneous Grants
Cash and investments - beginning	\$ 13,612	\$ 27,007	\$ 9,490	\$ 3,438	\$ 159,567	\$ 39,228	\$ 24,013	\$ 9,153
Receipts:								
Taxes	21,027	-	-	-	43,869	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,524	-	-	11,039	5,265	19,348	-	-
Charges for services	-	-	31,120	-	-	-	500	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	40,000	-	-	-	-	-	-	23,184
Total receipts	63,551	-	31,120	11,039	49,134	19,348	500	23,184
Disbursements:								
Personal services	62,659	-	-	-	-	-	-	-
Supplies	-	-	-	7,387	-	-	-	-
Other services and charges	-	-	-	-	-	-	100	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	41,361	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	30,151	-	-	-	-	4,343
Total disbursements	62,659	-	30,151	7,387	41,361	-	100	4,343
Excess (deficiency) of receipts over disbursements	892	-	969	3,652	7,773	19,348	400	18,841
Cash and investments - ending	\$ 14,504	\$ 27,007	\$ 10,459	\$ 7,090	\$ 167,340	\$ 58,576	\$ 24,413	\$ 27,994

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Park Debt Service Reserve	Fireworks Donations	Sidewalk Fund	Fall Festival	Airport Timber Sales/Construction	Airport Rental Deposit	Awareness Day Airport	Park Concessions
Cash and investments - beginning	\$ 534,000	\$ 2,281	\$ 1,548	\$ 5,286	\$ 37,447	\$ 98	\$ 1,917	\$ 12,165
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	29,848	-	334,377	-	-	29,320
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	356,000	7,987	-	11,965	-	2,569	2,458	-
Total receipts	356,000	7,987	29,848	11,965	334,377	2,569	2,458	29,320
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	356,000	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	365,016	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	7,069	31,396	10,710	-	1,780	3,639	30,547
Total disbursements	356,000	7,069	31,396	10,710	365,016	1,780	3,639	30,547
Excess (deficiency) of receipts over disbursements	-	918	(1,548)	1,255	(30,639)	789	(1,181)	(1,227)
Cash and investments - ending	\$ 534,000	\$ 3,199	\$ -	\$ 6,541	\$ 6,808	\$ 887	\$ 736	\$ 10,938

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Park Softball	Park Events	Park Storm Damage 2011	Payroll	Excess Levy	Utility	Cemetery Money Market
Cash and investments - beginning	\$ 5,914	\$ 7,265	\$ -	\$ 20,295	\$ 1,382	\$ -	\$ 17,862
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	9,015	7,741	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	2,329	1,713,620	-	6,160,605	-
Total receipts	9,015	7,741	2,329	1,713,620	-	6,160,605	-
Disbursements:							
Personal services	-	-	-	80,459	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,044	11,701	2,000	1,628,439	-	6,160,605	-
Total disbursements	8,044	11,701	2,000	1,708,898	-	6,160,605	-
Excess (deficiency) of receipts over disbursements	971	(3,960)	329	4,722	-	-	-
Cash and investments - ending	\$ 6,885	\$ 3,305	\$ 329	\$ 25,017	\$ 1,382	\$ -	\$ 17,862

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Electric Operating	Electric Meter Deposit	Electric Depreciation	Electric Debt Service Reserve	Electric Light Cash Reserve	Electric Building Fund	Electric Cash Change
Cash and investments - beginning	\$ 367,388	\$ 113,396	\$ 172,114	\$ 86,653	\$ 64,078	\$ 118,220	\$ 300
Receipts:							
Taxes	60,626	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	4,058,627	-	-	-	-	-	-
Other receipts	330,608	23,175	619	1,069	716	16,037	-
Total receipts	4,449,861	23,175	619	1,069	716	16,037	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	596	-	-	-	-	-	-
Utility operating expenses	3,443,479	-	-	-	-	-	-
Other disbursements	732,953	21,413	-	-	-	104,710	-
Total disbursements	4,177,028	21,413	-	-	-	104,710	-
Excess (deficiency) of receipts over disbursements	272,833	1,762	619	1,069	716	(88,673)	-
Cash and investments - ending	\$ 640,221	\$ 115,158	\$ 172,733	\$ 87,722	\$ 64,794	\$ 29,547	\$ 300

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sewer Operating	Sewer Debt Service Reserve	Wastewater Utility Bond And Interest	Sewer Building Fund	Sewer Bond And Interest - BNY	Sewer Debt Service Reserve - BNY	Water Operating
Cash and investments - beginning	\$ 89,472	\$ 165,214	\$ -	\$ 121,584	\$ 4,612	\$ 4,165	\$ (62,212)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	1,014,389	-	-	-	-	-	1,117,364
Other receipts	244,880	1,597	177,330	10,838	35,664	7,140	442,115
Total receipts	1,259,269	1,597	177,330	10,838	35,664	7,140	1,559,479
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	163,115	-	34,375	-	-
Capital outlay	2,134	-	-	-	-	-	24,380
Utility operating expenses	848,733	-	-	-	-	-	858,328
Other disbursements	393,629	14,214	350	132,422	-	-	587,247
Total disbursements	1,244,496	14,214	163,465	132,422	34,375	-	1,469,955
Excess (deficiency) of receipts over disbursements	14,773	(12,617)	13,865	(121,584)	1,289	7,140	89,524
Cash and investments - ending	\$ 104,245	\$ 152,597	\$ 13,865	\$ -	\$ 5,901	\$ 11,305	\$ 27,312

TOWN OF PAOLI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Meter Deposit	Water Depreciation	Water Bond And Interest	Water Debt Service Reserve	Water Building Fund	Water Tank Fund	Totals
Cash and investments - beginning	\$ 35,076	\$ 362	\$ 106,273	\$ 178,421	\$ 117,119	\$ 16,640	\$ 3,191,095
Receipts:							
Taxes	-	-	-	-	-	-	482,688
Licenses and permits	-	-	-	-	-	-	1,985
Intergovernmental	-	-	-	-	-	-	1,329,926
Charges for services	-	-	-	-	-	-	468,726
Fines and forfeits	-	-	-	-	-	-	725
Utility fees	-	-	-	-	-	-	6,190,380
Other receipts	6,350	-	247,695	26,415	10,837	-	9,979,638
Total receipts	6,350	-	247,695	26,415	10,837	-	18,454,068
Disbursements:							
Personal services	-	-	-	-	-	-	576,566
Supplies	-	-	-	-	-	-	136,407
Other services and charges	-	-	-	-	-	-	307,946
Debt service - principal and interest	-	-	246,050	-	-	-	799,540
Capital outlay	-	-	-	-	-	-	446,807
Utility operating expenses	-	-	-	-	-	-	5,150,540
Other disbursements	6,668	362	-	-	127,956	-	10,979,288
Total disbursements	6,668	362	246,050	-	127,956	-	18,397,094
Excess (deficiency) of receipts over disbursements	(318)	(362)	1,645	26,415	(117,119)	-	56,974
Cash and investments - ending	\$ 34,758	\$ -	\$ 107,918	\$ 204,836	\$ -	\$ 16,640	\$ 3,248,069

TOWN OF PAOLI
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 104,484	\$ 37,382
Electric	249,127	347,363
Wastewater	29,451	90,769
Water	<u>42,433</u>	<u>95,948</u>
Totals	<u>\$ 425,495</u>	<u>\$ 571,462</u>

TOWN OF PAOLI
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Revenue bonds	Park Construction	\$ 4,600,000	\$ 357,646
Wastewater:			
Revenue bonds	Sewage Works State Revolving Loan	481,542	-
Revenue bonds	Sewage Works Revenue Bonds	1,378,000	164,230
Total Wastewater		1,859,542	164,230
Water:			
Revenue bonds	Waterworks Revenue Bond	4,288,000	246,600
Totals		<u>\$ 10,747,542</u>	<u>\$ 768,476</u>

TOWN OF PAOLI
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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	\$ 296,958
Infrastructure	1,362,950
Buildings	1,987,001
Improvements other than buildings	2,465,792
Machinery, equipment and vehicles	1,603,785
Construction in progress	526,111
Total governmental activities	8,242,597
Electric:	
Land	133,017
Infrastructure	9,858,527
Buildings	592,440
Improvements other than buildings	867,004
Machinery, equipment and vehicles	582,956
Total Electric	12,033,944
Wastewater:	
Infrastructure	8,769,576
Buildings	368,450
Improvements other than buildings	4,048,509
Machinery, equipment and vehicles	871,163
Construction in progress	857,870
Total Wastewater	14,915,568
Water:	
Land	29,380
Infrastructure	17,958,371
Buildings	530,667
Improvements other than buildings	1,885,894
Machinery, equipment and vehicles	350,760
Construction in progress	307,634
Total Water	21,062,706
Total capital assets	\$ 56,254,815

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF PAOLI, ORANGE COUNTY, INDIANA

Compliance

We have audited Town of Paoli's (Town) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2011. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2011.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, federal awarding agencies, and pass-through entities 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

August 23, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Town. The schedule and notes are presented as intended by the Town.

TOWN OF PAOLI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs CDBG - State Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DR-2-09-034	\$ 669,292	\$ 123,080
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HD-009-13	<u>59,010</u>	<u>52,540</u>
Total for cluster			<u>728,302</u>	<u>175,620</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Grant Airport Improvement Program	20.106	3-18-0064-008-2010 3-18-0064-009-2011	- <u>-</u>	49,205 <u>310,795</u>
Total for program			<u>-</u>	<u>360,000</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 1828 DR 1795 385 PA 1997	6,014 1,642 <u>-</u>	- - <u>14,476</u>
Total for program			<u>7,656</u>	<u>14,476</u>
Total federal awards expended			<u>\$ 735,958</u>	<u>\$ 550,096</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF PAOLI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Paoli (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the Town provided federal awards to subrecipients as follows for the years ended December 31, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	<u>\$ 59,010</u>	<u>\$ 52,540</u>

TOWN OF PAOLI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	CDBG – State Administered CDBG Cluster Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF PAOLI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF PAOLI
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2012, with Amy J. Morris, Clerk-Treasurer, and Mark A. Jones, President of the Town Council. Our audit disclosed no material items that warrant comment at this time.