

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF SWITZ CITY

GREENE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/25/2012



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carla Porter

01-01-08 to 12-31-15

President of the  
Town Council

Glenda S. Headley

01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SWITZ CITY, GREENE COUNTY, INDIANA

We have examined the financial statements of the Town of Switz City (Town), for the period of January 1, 2010 to December 31, 2011. The Town's management is responsible for the financial statements. Our responsibility is to express an opinion based on our examination.

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

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

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.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

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

July 9, 2012

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## FINANCIAL STATEMENTS

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

TOWN OF SWITZ CITY  
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	\$ 15,836	\$ 54,768	\$ 55,912	\$ 14,692
Excess Levy Fund	-	47	-	47
Motor Vehicle Highway	17,020	11,966	-	28,986
Local Road And Street	3,442	1,476	144	4,774
Riverboat	3,897	1,946	-	5,843
Rainy Day	1,290	566	-	1,856
Fire Protection Territory	-	61	-	61
Sidewalk	10,000	-	-	10,000
Capital Improvements	6,167	910	1,898	5,179
Wastewater Utility-Operating	25,788	94,616	104,921	15,483
Wastewater Util-Bond And Interest	46,137	30,000	25,638	50,499
Wastewater Utility-Deprec/Improve	24,954	6,000	5,076	25,878
Wastewater Utility-Debt Reserve	25,000	-	-	25,000
Water Utility-Operating	9,946	128,644	131,785	6,805
Water Utility-Bond And Interest	13,346	54,120	48,540	18,926
Water Utility-Depreciation/Improve	35,623	5,500	10,903	30,220
Water Utility-Customer Deposit	13,411	850	450	13,811
Water Utility-Debt Reserve	29,000	5,500	-	34,500
Totals	<u>\$ 280,857</u>	<u>\$ 396,970</u>	<u>\$ 385,267</u>	<u>\$ 292,560</u>

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

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 14,692	\$ 61,628	\$ 61,628	\$ 14,692
Excess Levy fund	47	-	47	-
Motor Vehicle Highway	28,986	12,021	-	41,007
Local Road And Street	4,774	1,438	-	6,212
Riverboat	5,843	1,946	-	7,789
Rainy Day	1,856	-	-	1,856
Fire Protection Territory	61	34,213	21,470	12,804
Fire Territory Accumulation Fund	-	22,496	-	22,496
Sidewalk	10,000	-	-	10,000
Capital Improvements	5,179	893	-	6,072
Wastewater Utility-Operating	15,483	88,829	98,789	5,523
Wastewater Util-Bond And Interest	50,499	20,000	25,626	44,873
Wastewater Utility-Deprec/Improve	25,878	4,000	13,966	15,912
Wastewater Utility-Debt Reserve	25,000	-	-	25,000
Water Utility-Operating	6,805	292,909	289,165	10,549
Water Utility-Bond And Interest	18,926	44,550	22,185	41,291
Water Utility-Depreciation/Improve	30,220	2,000	21,470	10,750
Water Utility-Customer Deposit	13,811	1,000	699	14,112
Water Utility-Debt Reserve	34,500	4,500	-	39,000
Totals	<u>\$ 292,560</u>	<u>\$ 592,423</u>	<u>\$ 555,045</u>	<u>\$ 329,938</u>

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

TOWN OF SWITZ CITY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, 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.

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.

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

TOWN OF SWITZ CITY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Penalties which include fees received for late payments.

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.

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 SWITZ CITY  
NOTES TO FINANCIAL STATEMENTS  
(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 (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.

TOWN OF SWITZ CITY  
NOTES TO FINANCIAL STATEMENTS  
(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 any replacement items purchased.

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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/](http://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 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 approved by management of the Town. It is presented as intended by the Town.

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

	General	Excess Levy Fund	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Fire Protection Territory
Cash and investments - beginning	\$ 15,836	\$ -	\$ 17,020	\$ 3,442	\$ 3,897	\$ 1,290	\$ -
Receipts:							
Taxes	15,279	-	-	-	-	-	-
Intergovernmental	37,892	47	11,966	1,476	1,946	566	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,597	-	-	-	-	-	61
Total receipts	<u>54,768</u>	<u>47</u>	<u>11,966</u>	<u>1,476</u>	<u>1,946</u>	<u>566</u>	<u>61</u>
Disbursements:							
Personal services	7,212	-	-	-	-	-	-
Supplies	520	-	-	-	-	-	-
Other services and charges	21,370	-	-	144	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	26,810	-	-	-	-	-	-
Total disbursements	<u>55,912</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,144)</u>	<u>47</u>	<u>11,966</u>	<u>1,332</u>	<u>1,946</u>	<u>566</u>	<u>61</u>
Cash and investments - ending	<u>\$ 14,692</u>	<u>\$ 47</u>	<u>\$ 28,986</u>	<u>\$ 4,774</u>	<u>\$ 5,843</u>	<u>\$ 1,856</u>	<u>\$ 61</u>

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

	Sidewalk	Capital Improvements	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility- Deprec/Improve	Wastewater Utility-Debt Reserve
Cash and investments - beginning	\$ 10,000	\$ 6,167	\$ 25,788	\$ 46,137	\$ 24,954	\$ 25,000
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	910	3,280	-	-	-
Utility fees	-	-	87,126	-	-	-
Penalties	-	-	1,716	-	-	-
Other receipts	-	-	2,494	30,000	6,000	-
Total receipts	-	910	94,616	30,000	6,000	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	12,938	-	-
Capital outlay	-	1,898	-	-	5,076	-
Utility operating expenses	-	-	68,775	12,700	-	-
Other disbursements	-	-	36,146	-	-	-
Total disbursements	-	1,898	104,921	25,638	5,076	-
Excess (deficiency) of receipts over disbursements	-	(988)	(10,305)	4,362	924	-
Cash and investments - ending	\$ 10,000	\$ 5,179	\$ 15,483	\$ 50,499	\$ 25,878	\$ 25,000

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

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility- Depreciation/ Improve	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 9,946	\$ 13,346	\$ 35,623	\$ 13,411	\$ 29,000	\$ 280,857
Receipts:						
Taxes	-	-	-	-	-	15,279
Intergovernmental	-	-	-	-	-	58,083
Utility fees	117,716	-	-	-	-	204,842
Penalties	665	-	-	-	-	2,381
Other receipts	10,263	54,120	5,500	850	5,500	116,385
Total receipts	128,644	54,120	5,500	850	5,500	396,970
Disbursements:						
Personal services	-	-	-	-	-	7,212
Supplies	-	-	-	-	-	520
Other services and charges	-	-	-	-	-	21,514
Debt service - principal and interest	-	48,540	-	-	-	61,478
Capital outlay	-	-	10,903	-	-	17,877
Utility operating expenses	55,294	-	-	400	-	137,169
Other disbursements	76,491	-	-	50	-	139,497
Total disbursements	131,785	48,540	10,903	450	-	385,267
Excess (deficiency) of receipts over disbursements	(3,141)	5,580	(5,403)	400	5,500	11,703
Cash and investments - ending	\$ 6,805	\$ 18,926	\$ 30,220	\$ 13,811	\$ 34,500	\$ 292,560

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

	General	Excess Levy Fund	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Fire Protection Territory
Cash and investments - beginning	\$ 14,692	\$ 47	\$ 28,986	\$ 4,774	\$ 5,843	\$ 1,856	\$ 61
Receipts:							
Taxes	16,599	-	-	-	-	-	24,783
Intergovernmental	41,633	-	12,021	1,438	1,946	-	1,471
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,396	-	-	-	-	-	7,959
Total receipts	<u>61,628</u>	<u>-</u>	<u>12,021</u>	<u>1,438</u>	<u>1,946</u>	<u>-</u>	<u>34,213</u>
Disbursements:							
Personal services	7,174	-	-	-	-	-	2,000
Supplies	1,569	-	-	-	-	-	-
Other services and charges	22,149	-	-	-	-	-	10,261
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	9,182
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	30,736	47	-	-	-	-	27
Total disbursements	<u>61,628</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,470</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(47)</u>	<u>12,021</u>	<u>1,438</u>	<u>1,946</u>	<u>-</u>	<u>12,743</u>
Cash and investments - ending	<u>\$ 14,692</u>	<u>\$ -</u>	<u>\$ 41,007</u>	<u>\$ 6,212</u>	<u>\$ 7,789</u>	<u>\$ 1,856</u>	<u>\$ 12,804</u>

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

	Fire Territory Accumulation Fund	Sidewalk	Capital Improvements	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility- Deprec/Improve	Wastewater Utility-Debt Reserve
Cash and investments - beginning	\$ -	\$ 10,000	\$ 5,179	\$ 15,483	\$ 50,499	\$ 25,878	\$ 25,000
Receipts:							
Taxes	21,236	-	-	-	-	-	-
Intergovernmental	1,260	-	893	-	-	-	-
Utility fees	-	-	-	87,075	-	-	-
Penalties	-	-	-	1,518	-	-	-
Other receipts	-	-	-	236	20,000	4,000	-
Total receipts	<u>22,496</u>	<u>-</u>	<u>893</u>	<u>88,829</u>	<u>20,000</u>	<u>4,000</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	25,626	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	74,789	-	13,966	-
Other disbursements	-	-	-	24,000	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,789</u>	<u>25,626</u>	<u>13,966</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>22,496</u>	<u>-</u>	<u>893</u>	<u>(9,960)</u>	<u>(5,626)</u>	<u>(9,966)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 22,496</u>	<u>\$ 10,000</u>	<u>\$ 6,072</u>	<u>\$ 5,523</u>	<u>\$ 44,873</u>	<u>\$ 15,912</u>	<u>\$ 25,000</u>

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

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility- Depreciation/ Improve	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 6,805	\$ 18,926	\$ 30,220	\$ 13,811	\$ 34,500	\$ 292,560
Receipts:						
Taxes	-	-	-	-	-	62,618
Intergovernmental	-	-	-	-	-	60,662
Utility fees	113,512	-	-	-	-	200,587
Penalties	989	-	-	-	-	2,507
Other receipts	178,408	44,550	2,000	1,000	4,500	266,049
Total receipts	292,909	44,550	2,000	1,000	4,500	592,423
Disbursements:						
Personal services	-	-	-	-	-	9,174
Supplies	-	-	-	-	-	1,569
Other services and charges	-	-	-	-	-	32,410
Debt service - principal and interest	-	22,185	-	-	-	47,811
Capital outlay	149,993	-	21,470	-	-	180,645
Utility operating expenses	71,312	-	-	-	-	160,067
Other disbursements	67,860	-	-	699	-	123,369
Total disbursements	289,165	22,185	21,470	699	-	555,045
Excess (deficiency) of receipts over disbursements	3,744	22,365	(19,470)	301	4,500	37,378
Cash and investments - ending	\$ 10,549	\$ 41,291	\$ 10,750	\$ 14,112	\$ 39,000	\$ 329,938

TOWN OF SWITZ CITY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
General obligation bonds	Wasterwater bonds	\$ 372,300	\$ 25,600
Water:			
General obligation bonds	Waterworks improvements	1,044,000	65,918
Totals		<u>\$ 1,416,300</u>	<u>\$ 91,518</u>

TOWN OF SWITZ CITY  
 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	\$ 5,000
Improvements other than buildings	785
Total governmental activities	5,785
Wastewater:	
Land	1,050,000
Machinery, equipment and vehicles	984,926
Total Wastewater	2,034,926
Water:	
Land	20,925
Buildings	185,000
Machinery, equipment and vehicles	561,927
Total Water	767,852
Total capital assets	\$ 2,808,563

TOWN OF SWITZ CITY  
EXAMINATION RESULTS AND COMMENTS

**CUSTOMER DEPOSIT REGISTER**

As stated in the prior audit, the detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger.

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)

***PENALTIES AND INTEREST***

Penalties and interest totaling \$26.72 were paid to the Indiana Department of Revenue on July 26, 2011 for the 2011 tax period.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SWITZ CITY  
EXIT CONFERENCE

The contents of this report were discussed on July 9, 2012, with Carla Porter, Clerk-Treasurer. The official concurred with our findings.