

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF YORKTOWN

DELAWARE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/10/2012

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Beth A. Neff

01-01-08 to 12-31-15

President of the
Town Council

Larry Crouch
Rick Glaub
Robert Ratchford

01-01-10 to 12-31-10
01-01-11 to 12-31-11
01-01-12 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 YORKTOWN, DELAWARE COUNTY, INDIANA

We have examined the financial statements of the Town of Yorktown (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 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 examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Town's response to the Examination Result and Comment identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response 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

August 7, 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 YORKTOWN
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	\$ 314,281	\$ 2,512,629	\$ 2,368,217	\$ 458,693
Cum Fire Equipment	460,582	63,673	-	524,255
Motor Vehicle Highway	278,534	803,012	902,494	179,052
Local Road And Street	81,198	150,925	89,489	142,634
Cemetery Operating	13,473	6,773	1,482	18,764
Donations	290	-	-	290
Law Enforcement Continuing Ed	9,996	22,957	2,950	30,003
Clerk's Records Perpetuation	43,483	12,324	20,494	35,313
Parks And Recreation	157,273	627,044	363,660	420,657
Rainy Day	99,329	241,318	-	340,647
Dare	198	-	-	198
Bridge Loan- Miasa	-	146,250	146,250	-
Excess Levy Fund	711	6,194	-	6,905
Economic Develop Area 1	254,471	202,575	117,494	339,552
Court Cost Due County	8,838	78,657	87,495	-
User Fee-Local Law Enf Con Ed	28,851	1,730	20,288	10,293
Edit Fund	-	125,000	121,848	3,152
Economic Dev Area 2	1,190,273	23,091	823,712	389,652
Cumulative Capl Imprv Cigarette Tax	132,007	14,010	-	146,017
Cumulative Capital Development	5,989	95,032	-	101,021
Federal Grants (Capital Projects)	22,856	71,994	94,850	-
Cr 600 Arra Project	-	45,427	45,427	-
Nebo Road Arra Project	-	24,142	18,888	5,254
Payroll	17,970	1,550,777	1,551,163	17,584
Town Court	71,615	873,989	889,668	55,936
Wastewater Utility- Operating	135,972	1,476,056	1,140,127	471,901
Wastewater Utility- Bond And Interest	116,326	129,325	130,325	115,326
Wastewater Utility- Deprec Improve	276,019	105,680	23,417	358,282
Sewer Debt Reserve	327,050	-	-	327,050
Sewer Capitalized Interest	352,688	-	191,688	161,000
Water Utility- Operating	725,702	899,165	884,930	739,937
Water Utility- Bond And Interest	128,461	136,568	251,921	13,108
Water Utility- Depreciation Improve	100,533	24,000	1,458	123,075
Water Utility- Customer Deposit	19,131	6,210	7,230	18,111
Debt Service Reserve	148,750	-	28,700	120,050
Totals	<u>\$ 5,522,850</u>	<u>\$ 10,476,527</u>	<u>\$ 10,325,665</u>	<u>\$ 5,673,712</u>

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

TOWN OF YORKTOWN
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	\$ 458,693	\$ 2,008,796	\$ 2,407,371	\$ 60,118
Motor Vehicle Highway	179,052	625,604	567,460	237,196
Local Road and Street	142,634	157,831	200,000	100,465
Law Enforcement Continuing Ed	30,003	4,533	2,863	31,673
Clerk's Records Perpetuation	35,313	12,820	16,133	32,000
Parks And Recreation	420,657	363,369	703,831	80,195
Rainy Day	340,647	-	52,879	287,768
Cumulative Capl Imprv Cigarette Tax	146,017	13,742	-	159,759
Cumulative Capital Development	101,021	54,016	21,420	133,617
rdc tif #2	-	269,381	-	269,381
RDC TIF #3	-	18,716	-	18,716
Cum Fire Equipment	524,255	55,850	-	580,105
Cemetery Operating	18,764	163,891	4,553	178,102
Donations	290	-	-	290
Dare	198	-	-	198
Bridge Loan- Miasa	-	13,750	13,750	-
Excess Levy Fund	6,905	-	6,194	711
Economic Develop Area 1	339,552	106,243	230,639	215,156
Court Cost Due County	-	87,044	87,044	-
User Fee-Local Law Enf Con Ed	10,293	24,052	22,148	12,197
Edit Fund	3,152	750,149	323,899	429,402
Economic Dev Area 2	389,652	240,933	483,572	147,013
Cr 600 Arra Project	-	3,660	3,660	-
Nebo Road Arra Project	5,254	5,496	10,750	-
River Road Trail Project	-	4,461	4,461	-
Payroll	17,584	1,576,117	1,579,141	14,560
Town Court	55,936	989,228	997,036	48,128
Wastewater Utility- Operating	471,901	1,306,839	1,202,474	576,266
Wastewater Utility- Bond And Interest	115,326	204,679	227,050	92,955
Wastewater Utility- Deprec Improve	358,282	70,340	33,578	395,044
Sewer Debt Reserve	327,050	-	-	327,050
Sewer Capitalized Interest	161,000	25,000	186,000	-
Water Utility- Operating	739,937	902,857	773,751	869,043
Water Utility- Bond And Interest	13,108	129,840	129,773	13,175
Water Utility- Depreciation Improve	123,075	24,000	19,176	127,899
Water Utility- Customer Deposit	18,111	7,160	5,295	19,976
Water Utility- Debt Service Reserve	120,050	-	32,000	88,050
Totals	\$ 5,673,712	\$ 10,220,397	\$ 10,347,901	\$ 5,546,208

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

TOWN OF YORKTOWN
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 may 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 state, local road and street distribution received from the state, financial institution tax received

TOWN OF YORKTOWN
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 may 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 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 YORKTOWN
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.

TOWN OF YORKTOWN
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	General	Cum Fire Equipment	Motor Vehicle Highway	Local Road And Street	Cemetery Operating	Donations
Cash and investments - beginning	\$ 314,281	\$ 460,582	\$ 278,534	\$ 81,198	\$ 13,473	\$ 290
Receipts:						
Taxes	1,253,912	56,615	613,170	-	4,497	-
Licenses and permits	5,475	-	-	-	-	-
Intergovernmental	504,865	7,011	185,566	150,925	763	-
Charges for services	432,492	-	300	-	1,500	-
Fines and forfeits	146,007	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	169,878	47	3,976	-	13	-
Total receipts	<u>2,512,629</u>	<u>63,673</u>	<u>803,012</u>	<u>150,925</u>	<u>6,773</u>	<u>-</u>
Disbursements:						
Personal services	1,098,093	-	233,861	-	-	-
Supplies	47,046	-	110,024	-	454	-
Other services and charges	952,646	-	177,621	-	1,028	-
Debt service - principal and interest	-	-	34,147	-	-	-
Capital outlay	39,711	-	346,841	89,489	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	230,721	-	-	-	-	-
Total disbursements	<u>2,368,217</u>	<u>-</u>	<u>902,494</u>	<u>89,489</u>	<u>1,482</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>144,412</u>	<u>63,673</u>	<u>(99,482)</u>	<u>61,436</u>	<u>5,291</u>	<u>-</u>
Cash and investments - ending	<u>\$ 458,693</u>	<u>\$ 524,255</u>	<u>\$ 179,052</u>	<u>\$ 142,634</u>	<u>\$ 18,764</u>	<u>\$ 290</u>

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

	Law Enforcement Continuing Ed	Clerk's Records Perpetuation	Parks And Recreation	Rainy Day	Dare	Bridge Loan- Miasa
Cash and investments - beginning	\$ 9,996	\$ 43,483	\$ 157,273	\$ 99,329	\$ 198	\$ -
Receipts:						
Taxes	-	-	553,445	-	-	-
Licenses and permits	3,145	-	-	-	-	-
Intergovernmental	-	-	68,892	11,318	-	-
Charges for services	700	-	-	-	-	-
Fines and forfeits	19,112	12,324	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	4,707	230,000	-	146,250
Total receipts	<u>22,957</u>	<u>12,324</u>	<u>627,044</u>	<u>241,318</u>	<u>-</u>	<u>146,250</u>
Disbursements:						
Personal services	-	-	59,668	-	-	-
Supplies	-	9,855	15,811	-	-	-
Other services and charges	2,950	9,319	147,521	-	-	146,250
Debt service - principal and interest	-	-	90,025	-	-	-
Capital outlay	-	1,320	50,635	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>2,950</u>	<u>20,494</u>	<u>363,660</u>	<u>-</u>	<u>-</u>	<u>146,250</u>
Excess (deficiency) of receipts over disbursements	<u>20,007</u>	<u>(8,170)</u>	<u>263,384</u>	<u>241,318</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,003</u>	<u>\$ 35,313</u>	<u>\$ 420,657</u>	<u>\$ 340,647</u>	<u>\$ 198</u>	<u>\$ -</u>

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

	Excess Levy Fund	Economic Develop Area 1	Court Cost Due County	User Fee-Local Law Enf Con Ed	Edit Fund	Economic Dev Area 2
Cash and investments - beginning	\$ 711	\$ 254,471	\$ 8,838	\$ 28,851	\$ -	\$ 1,190,273
Receipts:						
Taxes	-	202,360	-	-	-	23,084
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	78,657	1,730	-	-
Utility fees	-	-	-	-	-	-
Other receipts	6,194	215	-	-	125,000	7
Total receipts	<u>6,194</u>	<u>202,575</u>	<u>78,657</u>	<u>1,730</u>	<u>125,000</u>	<u>23,091</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	117,494	-	-	-	643,916
Debt service - principal and interest	-	-	-	-	121,848	-
Capital outlay	-	-	-	-	-	179,796
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	87,495	20,288	-	-
Total disbursements	<u>-</u>	<u>117,494</u>	<u>87,495</u>	<u>20,288</u>	<u>121,848</u>	<u>823,712</u>
Excess (deficiency) of receipts over disbursements	<u>6,194</u>	<u>85,081</u>	<u>(8,838)</u>	<u>(18,558)</u>	<u>3,152</u>	<u>(800,621)</u>
Cash and investments - ending	<u>\$ 6,905</u>	<u>\$ 339,552</u>	<u>\$ -</u>	<u>\$ 10,293</u>	<u>\$ 3,152</u>	<u>\$ 389,652</u>

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

	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Federal Grants (Capital Projects)	Cr 600 Arra Project	Nebo Road Arra Project	Payroll
Cash and investments - beginning	\$ 132,007	\$ 5,989	\$ 22,856	\$ -	\$ -	\$ 17,970
Receipts:						
Taxes	-	84,486	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	14,010	10,476	71,994	45,427	24,142	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	70	-	-	-	1,550,777
Total receipts	<u>14,010</u>	<u>95,032</u>	<u>71,994</u>	<u>45,427</u>	<u>24,142</u>	<u>1,550,777</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	94,850	45,427	18,888	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,551,163
Total disbursements	<u>-</u>	<u>-</u>	<u>94,850</u>	<u>45,427</u>	<u>18,888</u>	<u>1,551,163</u>
Excess (deficiency) of receipts over disbursements	<u>14,010</u>	<u>95,032</u>	<u>(22,856)</u>	<u>-</u>	<u>5,254</u>	<u>(386)</u>
Cash and investments - ending	<u>\$ 146,017</u>	<u>\$ 101,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,254</u>	<u>\$ 17,584</u>

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

	Town Court	Wastewater Utility- Operating	Wastewater Utility- Bond And Interest	Wastewater Utility- Deprec Improve	Sewer Debt Reserve	Sewer Capitalized Interest
Cash and investments - beginning	\$ 71,615	\$ 135,972	\$ 116,326	\$ 276,019	\$ 327,050	\$ 352,688
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	1,204,739	-	-	-	-
Other receipts	873,989	271,317	129,325	105,680	-	-
Total receipts	873,989	1,476,056	129,325	105,680	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	15,522	130,325	-	-	191,688
Capital outlay	-	17,823	-	23,417	-	-
Utility operating expenses	-	730,467	-	-	-	-
Other disbursements	889,668	376,315	-	-	-	-
Total disbursements	889,668	1,140,127	130,325	23,417	-	191,688
Excess (deficiency) of receipts over disbursements	(15,679)	335,929	(1,000)	82,263	-	(191,688)
Cash and investments - ending	\$ 55,936	\$ 471,901	\$ 115,326	\$ 358,282	\$ 327,050	\$ 161,000

TOWN OF YORKTOWN
 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	Debt Service Reserve	Totals
Cash and investments - beginning	\$ 725,702	\$ 128,461	\$ 100,533	\$ 19,131	\$ 148,750	\$ 5,522,850
Receipts:						
Taxes	-	-	-	-	-	2,791,569
Licenses and permits	-	-	-	-	-	8,620
Intergovernmental	-	-	-	-	-	1,095,389
Charges for services	-	-	-	-	-	434,992
Fines and forfeits	-	-	-	-	-	257,830
Utility fees	866,976	-	-	-	-	2,071,715
Other receipts	32,189	136,568	24,000	6,210	-	3,816,412
Total receipts	899,165	136,568	24,000	6,210	-	10,476,527
Disbursements:						
Personal services	-	-	-	-	-	1,391,622
Supplies	-	-	-	-	-	183,190
Other services and charges	-	-	-	-	-	2,357,910
Debt service - principal and interest	30,059	250,921	-	-	28,700	893,235
Capital outlay	55,194	-	1,458	-	-	805,684
Utility operating expenses	512,882	-	-	7,230	-	1,250,579
Other disbursements	286,795	1,000	-	-	-	3,443,445
Total disbursements	884,930	251,921	1,458	7,230	28,700	10,325,665
Excess (deficiency) of receipts over disbursements	14,235	(115,353)	22,542	(1,020)	(28,700)	150,862
Cash and investments - ending	\$ 739,937	\$ 13,108	\$ 123,075	\$ 18,111	\$ 120,050	\$ 5,673,712

TOWN OF YORKTOWN
 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	Law Enforcement Continuing Ed	Clerk's Records Perpetuation	Parks And Recreation	Rainy Day
Cash and investments - beginning	\$ 458,693	\$ 179,052	\$ 142,634	\$ 30,003	\$ 35,313	\$ 420,657	\$ 340,647
Receipts:							
Taxes	835,476	578,149	105,942	-	-	319,510	-
Licenses and permits	5,450	-	-	3,590	-	-	-
Intergovernmental	362,995	40,621	51,889	-	-	27,857	-
Charges for services	442,038	-	-	705	-	-	-
Fines and forfeits	148,114	-	-	-	12,820	4,561	-
Utility fees	-	-	-	-	-	-	-
Other receipts	214,723	6,834	-	238	-	11,441	-
Total receipts	<u>2,008,796</u>	<u>625,604</u>	<u>157,831</u>	<u>4,533</u>	<u>12,820</u>	<u>363,369</u>	<u>-</u>
Disbursements:							
Personal services	1,144,056	229,863	-	-	-	65,389	-
Supplies	49,248	129,947	-	-	7,436	15,872	1,210
Other services and charges	1,174,211	149,917	73,651	2,863	7,944	232,039	2,394
Debt service - principal and interest	-	33,439	-	-	-	88,157	-
Capital outlay	18,493	24,294	126,349	-	753	302,374	49,275
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,363	-	-	-	-	-	-
Total disbursements	<u>2,407,371</u>	<u>567,460</u>	<u>200,000</u>	<u>2,863</u>	<u>16,133</u>	<u>703,831</u>	<u>52,879</u>
Excess (deficiency) of receipts over disbursements	<u>(398,575)</u>	<u>58,144</u>	<u>(42,169)</u>	<u>1,670</u>	<u>(3,313)</u>	<u>(340,462)</u>	<u>(52,879)</u>
Cash and investments - ending	<u>\$ 60,118</u>	<u>\$ 237,196</u>	<u>\$ 100,465</u>	<u>\$ 31,673</u>	<u>\$ 32,000</u>	<u>\$ 80,195</u>	<u>\$ 287,768</u>

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

	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	rdc tif #2	RDC TIF #3	Cum Fire Equipment	Cemetery Operating	Donations
Cash and investments - beginning	\$ 146,017	\$ 101,021	\$ -	\$ -	\$ 524,255	\$ 18,764	\$ 290
Receipts:							
Taxes	-	53,911	269,381	18,716	49,527	162,391	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,742	101	-	-	6,129	-	-
Charges for services	-	-	-	-	-	1,500	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	4	-	-	194	-	-
Total receipts	13,742	54,016	269,381	18,716	55,850	163,891	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	4,553	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	21,420	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	21,420	-	-	-	4,553	-
Excess (deficiency) of receipts over disbursements	13,742	32,596	269,381	18,716	55,850	159,338	-
Cash and investments - ending	\$ 159,759	\$ 133,617	\$ 269,381	\$ 18,716	\$ 580,105	\$ 178,102	\$ 290

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

	Dare	Bridge Loan- Miasa	Excess Levy Fund	Economic Develop Area 1	Court Cost Due County	User Fee-Local Law Enf Con Ed
Cash and investments - beginning	\$ 198	\$ -	\$ 6,905	\$ 339,552	\$ -	\$ 10,293
Receipts:						
Taxes	-	-	-	106,243	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	87,044	24,052
Utility fees	-	-	-	-	-	-
Other receipts	-	13,750	-	-	-	-
Total receipts	-	13,750	-	106,243	87,044	24,052
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	13,750	-	81,964	-	-
Debt service - principal and interest	-	-	-	148,675	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	6,194	-	87,044	22,148
Total disbursements	-	13,750	6,194	230,639	87,044	22,148
Excess (deficiency) of receipts over disbursements	-	-	(6,194)	(124,396)	-	1,904
Cash and investments - ending	\$ 198	\$ -	\$ 711	\$ 215,156	\$ -	\$ 12,197

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

	Edit Fund	Economic Dev Area 2	Cr 600 Arra Project	Nebo Road Arra Project	River Road Trail Project	Payroll
Cash and investments - beginning	\$ 3,152	\$ 389,652	\$ -	\$ 5,254	\$ -	\$ 17,584
Receipts:						
Taxes	-	240,827	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	750,149	106	3,660	5,496	4,461	1,576,117
Total receipts	<u>750,149</u>	<u>240,933</u>	<u>3,660</u>	<u>5,496</u>	<u>4,461</u>	<u>1,576,117</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	53,899	142,116	3,660	10,750	4,461	-
Debt service - principal and interest	-	53,358	-	-	-	-
Capital outlay	270,000	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	288,098	-	-	-	1,579,141
Total disbursements	<u>323,899</u>	<u>483,572</u>	<u>3,660</u>	<u>10,750</u>	<u>4,461</u>	<u>1,579,141</u>
Excess (deficiency) of receipts over disbursements	<u>426,250</u>	<u>(242,639)</u>	<u>-</u>	<u>(5,254)</u>	<u>-</u>	<u>(3,024)</u>
Cash and investments - ending	<u>\$ 429,402</u>	<u>\$ 147,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,560</u>

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

	Town Court	Wastewater Utility- Operating	Wastewater Utility- Bond And Interest	Wastewater Utility- Deprec Improve	Sewer Debt Reserve	Sewer Capitalized Interest
Cash and investments - beginning	\$ 55,936	\$ 471,901	\$ 115,326	\$ 358,282	\$ 327,050	\$ 161,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	1,261,118	-	-	-	-
Other receipts	989,228	45,721	204,679	70,340	-	25,000
Total receipts	989,228	1,306,839	204,679	70,340	-	25,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	15,200	225,550	-	-	186,000
Capital outlay	-	-	-	33,578	-	-
Utility operating expenses	-	894,423	-	-	-	-
Other disbursements	997,036	292,851	1,500	-	-	-
Total disbursements	997,036	1,202,474	227,050	33,578	-	186,000
Excess (deficiency) of receipts over disbursements	(7,808)	104,365	(22,371)	36,762	-	(161,000)
Cash and investments - ending	\$ 48,128	\$ 576,266	\$ 92,955	\$ 395,044	\$ 327,050	\$ -

TOWN OF YORKTOWN
 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 Service Reserve	Totals
Cash and investments - beginning	\$ 739,937	\$ 13,108	\$ 123,075	\$ 18,111	\$ 120,050	\$ 5,673,712
Receipts:						
Taxes	-	-	-	-	-	2,740,073
Licenses and permits	-	-	-	-	-	9,040
Intergovernmental	-	-	-	-	-	503,334
Charges for services	-	-	-	-	-	444,243
Fines and forfeits	-	-	-	-	-	276,591
Utility fees	899,263	-	-	-	-	2,160,381
Other receipts	3,594	129,840	24,000	7,160	-	4,086,735
Total receipts	902,857	129,840	24,000	7,160	-	10,220,397
Disbursements:						
Personal services	-	-	-	-	-	1,439,308
Supplies	-	-	-	-	-	203,713
Other services and charges	-	-	-	-	-	1,958,172
Debt service - principal and interest	15,200	129,773	-	-	32,000	927,352
Capital outlay	-	-	1,214	-	-	847,750
Utility operating expenses	537,010	-	17,962	-	-	1,449,395
Other disbursements	221,541	-	-	5,295	-	3,522,211
Total disbursements	773,751	129,773	19,176	5,295	32,000	10,347,901
Excess (deficiency) of receipts over disbursements	129,106	67	4,824	1,865	(32,000)	(127,504)
Cash and investments - ending	\$ 869,043	\$ 13,175	\$ 127,899	\$ 19,976	\$ 88,050	\$ 5,546,208

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 151,252	\$ 688,595
Wastewater	16,252	69,220
Water	4,055	29,837
Totals	\$ 171,559	\$ 787,652

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date
Governmental activities:			
Old National Bank	Police Cars	\$ 24,203	07-15-09
Old National Bank	Street Sweeper	7,740	01-15-08
Old National Bank	Backhoe	<u>10,157</u>	01-15-09
Total governmental activities		<u>42,100</u>	
Water:			
Old National Bank	Backhoe	<u>5,079</u>	01-15-09
Wastewater:			
Old National Bank	Street Sweeper	7,740	01-15-08
Old National Bank	Backhoe	<u>5,079</u>	01-15-09
Total of annual lease payments		<u>\$ 59,998</u>	

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Sports Park Development	\$ 1,470,000	\$ 105,975
General obligation bonds	Sports Park Development Gov't Buildings	1,384,000	122,928
General obligation bonds	Downtown Revitalization	<u>1,305,000</u>	<u>105,215</u>
Total governmental activities		<u>4,159,000</u>	<u>334,118</u>
Wastewater:			
General obligation bonds	Sports Park Development Gov't Buildings	173,000	15,366
Revenue bonds	Expand WWTP Plant	360,000	131,638
Revenue bonds	Sewer Lines to Neighborhoods	<u>3,195,000</u>	<u>175,400</u>
Total Wastewater		<u>3,728,000</u>	<u>322,404</u>
Water:			
General obligation bonds	Sports Park Development Gov't Buildings	173,000	15,366
Revenue bonds	Extending Services to Bradford Park	<u>785,800</u>	<u>64,916</u>
Total Water		<u>958,800</u>	<u>80,282</u>
Totals		<u>\$ 8,845,800</u>	<u>\$ 736,804</u>

TOWN OF YORKTOWN
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	\$ 6,847
Infrastructure	9,761,472
Buildings	518,423
Improvements other than buildings	329,042
Machinery, equipment and vehicles	7,226,104
Total governmental activities	\$ 17,841,888
Wastewater:	
Land	6,847
Infrastructure	9,761,472
Buildings	518,423
Improvements other than buildings	329,042
Machinery, equipment and vehicles	7,226,104
Total Wastewater	17,841,888
Water:	
Land	77,964
Infrastructure	9,570,756
Buildings	93,079
Improvements other than buildings	181,364
Machinery, equipment and vehicles	530,335
Total Water	10,453,498
Total business type activities capital assets	\$ 28,295,386

TOWN OF YORKTOWN
DELAWARE COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies were present during our period of audit:

- (1) Record balances were not properly reconciled to depository balances on December 31, 2011.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) There were a considerable number of posting errors in December 2011. These errors included transfers only half made (the funds were receipted to the target fund, but not disbursed from the donor fund) and several net payroll checks were not posted. These errors totaled \$57,323.02.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF YORKTOWN
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2012, with Beth A. Neff, Clerk-Treasurer; Robert Ratchford, President of the Town Council; and Pete Olson, Town Manager. The Official Response has been made a part of this report and may be found on page 31.

TOWN OF YORKTOWN, INC.

BETH A. NEFF • CLERK-TREASURER

August 14, 2012

State Board of Accounts,

The Town of Yorktown recently had an audit of the 2010-2011 financials. As a result of that audit there were two comments by the auditor on issues that were found.

The issues found in the audit were:

#1: Not posting 2 weeks of net payroll into the software program.

#2: During the conversion of data from an older version of the accounting software into the newer version there were postings that were not completely converted or placed into the correct revenue account number.

These issues showed an excess of revenue not posted correctly. Unfortunately, there was a personnel change at the end of the year that required the training of a new employee, software changes that had a learning curve and year-end duties are time consuming creating some pitfalls and errors.

Be assured that I have done my duties as the Yorktown Clerk-Treasurer to the best of my abilities and will continue to be watchful of the town funds and records as I have for the past 9 years.

Sincerely,



Beth Neff
Clerk-Treasurer
Town of Yorktown
Yorktown, IN 47396