

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF MILLERSBURG

ELKHART COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/10/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patricia Barhydt	01-01-08 to 12-31-15
President of the Town Council	James R. Winkler	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MILLERSBURG, ELKHART COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Millersburg (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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. The basis 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.

Our examination 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 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

August 22, 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 MILLERSBURG
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 Government	\$ 41,497	\$ 336,663	\$ 330,723	\$ 47,437
Motor Vehicle Highway	35,397	46,261	46,600	35,058
Local Road And Street	21,227	11,035	2,380	29,882
Park Nonreverting Operating	24,885	21,567	15,195	31,257
Local Law Enforcement	27,609	6,006	4,224	29,391
Riverboat	1,604	5,432	5,378	1,658
State Grant	-	1,752	1,752	-
Park And Recreation Operating	8,380	26,979	35,319	40
Rainy Day Cum Fund	3,422	3,669	-	7,091
Fr Tif	-	75,890	33,256	42,634
Cr Tif	40,535	228,141	167,435	101,241
Major Moves Construction	15,799	641	-	16,440
Cumulative Capl Imprv Cig Tx	4,339	2,542	3,020	3,861
Cumulative Capital Development	82	8,097	43	8,136
Economic Development Inc. Tax	40,696	37,011	-	77,707
Payroll	4,868	5,132	10,000	-
Sewage Utility Operating	28,476	171,144	171,852	27,768
Sewage Utility Bond/Interest	-	42,354	41,763	591
Sewage Utility Improvement	24,744	28,552	-	53,296
Water Utility-Operating	50,000	259,517	259,232	50,285
Water Utility Bond/Interest	7,247	86,960	85,660	8,547
Water Utility Depreciation	87,433	-	-	87,433
Water Utility Meter Deposit	21,140	2,040	1,700	21,480
Water Tower Maintenance	5,667	4,000	-	9,667
Water Utility Improvement	125,451	288,200	238,599	175,052
Totals	<u>\$ 620,498</u>	<u>\$ 1,699,585</u>	<u>\$ 1,454,131</u>	<u>\$ 865,952</u>

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

TOWN OF MILLERSBURG
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 Government	\$ 47,437	\$ 295,516	\$ 340,744	\$ 2,209
Motor Vehicle Highway	35,058	47,058	43,337	38,779
Local Road And Street	29,882	9,355	3,667	35,570
Park Nonreverting Operating	27,777	20,920	14,071	34,626
Local Law Enforcement	29,391	6,789	10,109	26,071
Riverboat	1,658	5,432	-	7,090
Park And Recreation Operating	3,520	22,346	25,837	29
Rainy Day Cum Fund	7,091	-	-	7,091
Fr Tif	42,634	50,050	26,312	66,372
Major Moves Construction	16,439	841	17,280	-
Cumulative Capl Imprv Cig Tx	3,861	2,493	-	6,354
Cumulative Capital Development	8,136	6,931	-	15,067
Economic Development Inc. Tax	77,707	19,428	23,559	73,576
State Grant	-	1,006	778	228
Cr Tif	101,241	160,823	129,467	132,597
Payroll	-	18,575	-	18,575
Sewage Utility Operating	27,767	165,549	169,973	23,343
Sewage Utility Bond/Interest	591	38,824	39,796	(381)
Sewage Utility Improvement	53,296	22,986	2,900	73,382
Water Utility-Operating	50,285	249,294	224,890	74,689
Water Utility Bond/Interest	8,547	81,747	82,285	8,009
Water Utility Depreciation	87,433	-	-	87,433
Water Utility Meter Deposit	21,480	2,295	2,566	21,209
Water Tower Maintenance	9,667	3,667	-	13,334
Water Utility Improvement	175,052	146,375	87,028	234,399
Totals	<u>\$ 865,950</u>	<u>\$ 1,378,300</u>	<u>\$ 1,244,599</u>	<u>\$ 999,651</u>

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

TOWN OF MILLERSBURG
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, trash, 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: 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 from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, and riverboat receipts received from the county.

TOWN OF MILLERSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, park rental fees, 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 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.

TOWN OF MILLERSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

TOWN OF MILLERSBURG
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.

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

	General Government	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Local Law Enforcement	Riverboat	State Grant
Cash and investments - beginning	\$ 41,497	\$ 35,397	\$ 21,227	\$ 24,885	\$ 27,609	\$ 1,604	\$ -
Receipts:							
Taxes	219,745	25,929	11,035	-	-	5,432	-
Licenses and permits	-	-	-	-	240	-	-
Intergovernmental	85,224	19,496	-	-	-	-	1,418
Charges for services	26,312	-	-	10,868	-	-	-
Fines and forfeits	-	-	-	-	1,730	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,382	836	-	10,699	4,036	-	334
Total receipts	<u>336,663</u>	<u>46,261</u>	<u>11,035</u>	<u>21,567</u>	<u>6,006</u>	<u>5,432</u>	<u>1,752</u>
Disbursements:							
Personal services	169,572	23,710	-	-	65	-	1,752
Supplies	18,801	14,983	935	-	889	-	-
Other services and charges	135,650	1,410	-	7,501	1,385	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	6,700	6,497	1,445	-	1,885	5,378	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	7,694	-	-	-
Total disbursements	<u>330,723</u>	<u>46,600</u>	<u>2,380</u>	<u>15,195</u>	<u>4,224</u>	<u>5,378</u>	<u>1,752</u>
Excess (deficiency) of receipts over disbursements	<u>5,940</u>	<u>(339)</u>	<u>8,655</u>	<u>6,372</u>	<u>1,782</u>	<u>54</u>	<u>-</u>
Cash and investments - ending	<u>\$ 47,437</u>	<u>\$ 35,058</u>	<u>\$ 29,882</u>	<u>\$ 31,257</u>	<u>\$ 29,391</u>	<u>\$ 1,658</u>	<u>\$ -</u>

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

	Park And Recreation Operating	Rainy Day Cum Fund	Fr Tif	Cr Tif	Major Moves Construction	Cumulative Capl Imprv Cig Tx	Cumulative Capital Development
Cash and investments - beginning	\$ 8,380	\$ 3,422	\$ -	\$ 40,535	\$ 15,799	\$ 4,339	\$ 82
Receipts:							
Taxes	21,999	-	75,890	228,119	-	-	7,866
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	644	3,669	-	-	-	2,542	231
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,336	-	-	22	641	-	-
Total receipts	26,979	3,669	75,890	228,141	641	2,542	8,097
Disbursements:							
Personal services	19,350	-	-	-	-	-	-
Supplies	3,190	-	-	-	-	-	-
Other services and charges	9,429	-	28,704	167,435	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	3,350	-	-	-	-	-	43
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	4,552	-	-	3,020	-
Total disbursements	35,319	-	33,256	167,435	-	3,020	43
Excess (deficiency) of receipts over disbursements	(8,340)	3,669	42,634	60,706	641	(478)	8,054
Cash and investments - ending	\$ 40	\$ 7,091	\$ 42,634	\$ 101,241	\$ 16,440	\$ 3,861	\$ 8,136

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

	Economic Development Inc. Tax	Payroll	Sewage Utility Operating	Sewage Utility Bond/Interest	Sewage Utility Improvement	Water Utility-Operating
Cash and investments - beginning	\$ 40,696	\$ 4,868	\$ 28,476	\$ -	\$ 24,744	\$ 50,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	27,011	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	123,191	-	-	241,327
Other receipts	10,000	5,132	47,953	42,354	28,552	18,190
Total receipts	37,011	5,132	171,144	42,354	28,552	259,517
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	13,650	36,915	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	121,112	-	-	100,265
Other disbursements	-	10,000	37,090	4,848	-	158,967
Total disbursements	-	10,000	171,852	41,763	-	259,232
Excess (deficiency) of receipts over disbursements	37,011	(4,868)	(708)	591	28,552	285
Cash and investments - ending	\$ 77,707	\$ -	\$ 27,768	\$ 591	\$ 53,296	\$ 50,285

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

	Water Utility Bond/Interest	Water Utility Depreciation	Water Utility Meter Deposit	Water Tower Maintenance	Water Utility Improvement	Totals
Cash and investments - beginning	\$ 7,247	\$ 87,433	\$ 21,140	\$ 5,667	\$ 125,451	\$ 620,498
Receipts:						
Taxes	-	-	-	-	-	596,015
Licenses and permits	-	-	-	-	-	240
Intergovernmental	-	-	-	-	-	140,235
Charges for services	-	-	-	-	-	37,180
Fines and forfeits	-	-	-	-	-	1,730
Utility fees	-	-	-	-	-	364,518
Other receipts	86,960	-	2,040	4,000	288,200	559,667
Total receipts	86,960	-	2,040	4,000	288,200	1,699,585
Disbursements:						
Personal services	-	-	-	-	-	214,449
Supplies	-	-	-	-	-	38,798
Other services and charges	-	-	-	-	-	351,514
Debt service - principal and interest	85,660	-	-	-	-	136,225
Capital outlay	-	-	-	-	-	25,298
Utility operating expenses	-	-	1,700	-	-	223,077
Other disbursements	-	-	-	-	238,599	464,770
Total disbursements	85,660	-	1,700	-	238,599	1,454,131
Excess (deficiency) of receipts over disbursements	1,300	-	340	4,000	49,601	245,454
Cash and investments - ending	\$ 8,547	\$ 87,433	\$ 21,480	\$ 9,667	\$ 175,052	\$ 865,952

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

	General Government	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Local Law Enforcement	Riverboat	Park And Recreation Operating
Cash and investments - beginning	\$ 47,437	\$ 35,058	\$ 29,882	\$ 27,777	\$ 29,391	\$ 1,658	\$ 3,520
Receipts:							
Taxes	188,811	3,798	-	-	-	5,432	21,487
Licenses and permits	-	-	-	-	160	-	-
Intergovernmental	69,270	42,930	9,355	-	-	-	859
Charges for services	26,867	-	-	152	-	-	-
Fines and forfeits	-	-	-	-	6,629	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	10,568	330	-	20,768	-	-	-
Total receipts	<u>295,516</u>	<u>47,058</u>	<u>9,355</u>	<u>20,920</u>	<u>6,789</u>	<u>5,432</u>	<u>22,346</u>
Disbursements:							
Personal services	183,242	27,532	-	-	-	-	16,062
Supplies	20,343	11,612	3,577	-	7,371	-	2,837
Other services and charges	134,528	4,193	90	14,071	2,738	-	6,938
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,631	-	-	-	-	-	-
Total disbursements	<u>340,744</u>	<u>43,337</u>	<u>3,667</u>	<u>14,071</u>	<u>10,109</u>	<u>-</u>	<u>25,837</u>
Excess (deficiency) of receipts over disbursements	<u>(45,228)</u>	<u>3,721</u>	<u>5,688</u>	<u>6,849</u>	<u>(3,320)</u>	<u>5,432</u>	<u>(3,491)</u>
Cash and investments - ending	<u>\$ 2,209</u>	<u>\$ 38,779</u>	<u>\$ 35,570</u>	<u>\$ 34,626</u>	<u>\$ 26,071</u>	<u>\$ 7,090</u>	<u>\$ 29</u>

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

	Rainy Day Cum Fund	Fr Tif	Major Moves Construction	Cumulative Capl Imprv Cig Tx	Cumulative Capital Development	Economic Development Inc. Tax	State Grant
Cash and investments - beginning	\$ 7,091	\$ 42,634	\$ 16,439	\$ 3,861	\$ 8,136	\$ 77,707	\$ -
Receipts:							
Taxes	-	50,050	-	-	6,664	-	866
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,493	267	19,428	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	841	-	-	-	140
Total receipts	-	50,050	841	2,493	6,931	19,428	1,006
Disbursements:							
Personal services	-	-	-	-	-	-	778
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	26,312	-	-	-	-	-
Capital outlay	-	-	17,280	-	-	23,559	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	26,312	17,280	-	-	23,559	778
Excess (deficiency) of receipts over disbursements	-	23,738	(16,439)	2,493	6,931	(4,131)	228
Cash and investments - ending	\$ 7,091	\$ 66,372	\$ -	\$ 6,354	\$ 15,067	\$ 73,576	\$ 228

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

	Cr Tif	Payroll	Sewage Utility Operating	Sewage Utility Bond/Interest	Sewage Utility Improvement	Water Utility-Operating
Cash and investments - beginning	\$ 101,241	\$ -	\$ 27,767	\$ 591	\$ 53,296	\$ 50,285
Receipts:						
Taxes	160,823	-	-	-	-	11,571
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	160,883	-	986	234,259
Penalties	-	-	3,189	-	-	694
Other receipts	-	18,575	1,477	38,824	22,000	2,770
Total receipts	<u>160,823</u>	<u>18,575</u>	<u>165,549</u>	<u>38,824</u>	<u>22,986</u>	<u>249,294</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	12,513	39,796	-	79,713
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	118,476	-	-	105,949
Other disbursements	129,467	-	38,984	-	2,900	39,228
Total disbursements	<u>129,467</u>	<u>-</u>	<u>169,973</u>	<u>39,796</u>	<u>2,900</u>	<u>224,890</u>
Excess (deficiency) of receipts over disbursements	<u>31,356</u>	<u>18,575</u>	<u>(4,424)</u>	<u>(972)</u>	<u>20,086</u>	<u>24,404</u>
Cash and investments - ending	<u>\$ 132,597</u>	<u>\$ 18,575</u>	<u>\$ 23,343</u>	<u>\$ (381)</u>	<u>\$ 73,382</u>	<u>\$ 74,689</u>

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

	Water Utility Bond/Interest	Water Utility Depreciation	Water Utility Meter Deposit	Water Tower Maintenance	Water Utility Improvement	Totals
Cash and investments - beginning	\$ 8,547	\$ 87,433	\$ 21,480	\$ 9,667	\$ 175,052	\$ 865,950
Receipts:						
Taxes	-	-	-	-	-	449,502
Licenses and permits	-	-	-	-	-	160
Intergovernmental	-	-	-	-	133,815	278,417
Charges for services	-	-	-	-	-	27,019
Fines and forfeits	-	-	-	-	-	6,629
Utility fees	-	-	-	-	1,560	397,688
Penalties	-	-	-	-	-	3,883
Other receipts	81,747	-	2,295	3,667	11,000	215,002
Total receipts	81,747	-	2,295	3,667	146,375	1,378,300
Disbursements:						
Personal services	-	-	-	-	-	227,614
Supplies	-	-	-	-	-	45,740
Other services and charges	-	-	-	-	-	162,558
Debt service - principal and interest	82,285	-	-	-	-	240,619
Capital outlay	-	-	-	-	-	40,839
Utility operating expenses	-	-	-	-	9,733	234,158
Other disbursements	-	-	2,566	-	77,295	293,071
Total disbursements	82,285	-	2,566	-	87,028	1,244,599
Excess (deficiency) of receipts over disbursements	(538)	-	(271)	3,667	59,347	133,701
Cash and investments - ending	\$ 8,009	\$ 87,433	\$ 21,209	\$ 13,334	\$ 234,399	\$ 999,651

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 1978	\$ 58,000	\$ 13,450
Revenue bonds	Sewage Works Revenue Bonds of 2006	<u>107,000</u>	<u>24,098</u>
Total Wastewater		<u>165,000</u>	<u>37,548</u>
Water:			
Revenue bonds	Waterworks Revenue Bond of 1999	<u>80,000</u>	<u>83,760</u>
Totals		<u>\$ 245,000</u>	<u>\$ 121,308</u>

TOWN OF MILLERSBURG
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	\$ 83,150
Buildings	259,491
Improvements other than buildings	2,293,275
Machinery, equipment and vehicles	464,910
Total governmental activities	3,100,826
Wastewater:	
Land	9,352
Buildings	418,622
Improvements other than buildings	1,553,158
Machinery, equipment and vehicles	45,124
Total Wastewater	2,026,256
Water:	
Land	82,874
Buildings	596,687
Improvements other than buildings	623,234
Machinery, equipment and vehicles	27,838
Total Water	1,330,633
Total capital assets	\$ 6,457,715

TOWN OF MILLERSBURG
EXAMINATION RESULTS AND COMMENTS

PENALTIES AND INTEREST

Penalties and interest totaling \$199.84 were paid to the Indiana Department of Revenue on October 12, 2011, for the period December 31, 2010.

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)

OVERDRAWN CASH BALANCE

The cash balance of the Sewage Utility Bond/Interest Fund was overdrawn at December 31, 2011, by \$381.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MILLERSBURG
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2012, with Patricia Barhydt, Clerk-Treasurer, and James R. Winkler, President of the Town Council. The officials concurred with our findings.