

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF DILLSBORO

DEARBORN COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
02/20/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice Sullivan	01-01-11 to 12-31-14
President of the Town Council	Mary Lou Powers	01-01-11 to 12-31-13
Town Manager	Scott Fortner	01-01-11 to 12-31-13
Superintendent of Utilities	Donald Schmaltz	01-01-10 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DILLSBORO, DEARBORN COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Dillsboro (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 period.

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 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.

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

January 3, 2013

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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 DILLSBORO
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	\$ 68,828	\$ 253,230	\$ 254,745	\$ 67,313
Motor Vehicle Highway	81,244	37,934	93,001	26,177
Local Road And Street	1,108	9,282	9,257	1,133
Law Enforcement Continuing Ed	1,939	1,130	1,480	1,589
Riverboat	1,595,019	682,979	1,042,702	1,235,296
Parks And Recreation	1,496	10,300	11,601	195
Garbage Collection	537	61,268	60,142	1,663
Cumulative Capital Improvement	2,548	4,205	5,060	1,693
Cumulative Fire	4,310	3,986	-	8,296
Storm Drainage Construction	100	-	100	-
Park Building Grant	-	100,000	-	100,000
Payroll	-	612,990	612,990	-
Child Advocacy Center Grant	-	123,670	123,670	-
Wastewater Utility-Operating	56,084	364,537	376,719	43,902
Wastewater Utility-Bond And Interest	83,892	303,982	303,631	84,243
Wastewater Utility-Customer Deposit	18,675	4,085	2,595	20,165
Water Utility-Operating	22,206	430,252	428,088	24,370
Water Utility-Customer Deposit	24,015	5,060	3,280	25,795
Totals	<u>\$ 1,962,001</u>	<u>\$ 3,008,890</u>	<u>\$ 3,329,061</u>	<u>\$ 1,641,830</u>

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

TOWN OF DILLSBORO
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	\$ 67,313	\$ 258,990	\$ 223,301	\$ 103,002
Motor Vehicle Highway	26,177	38,327	36,362	28,142
Local Road And Street	1,133	8,986	8,699	1,420
Law Enforcement Continuing Ed	1,589	1,021	-	2,610
Riverboat	1,235,296	667,031	862,579	1,039,748
Parks And Recreation	195	13,531	12,619	1,107
Cumulative Capital Improvement	1,693	4,124	3,741	2,076
Police Grant	-	7,955	7,955	-
Cumulative Fire	8,296	3,712	4,292	7,716
Garbage Collection	1,663	64,123	63,265	2,521
Park Building Grant	100,000	-	100,000	-
Payroll	-	594,190	594,189	1
Child Advocacy Center Grant	-	123,670	123,670	-
Wastewater Utility-Operating	43,902	374,608	358,603	59,907
Wastewater Utility-Bond And Interest	84,243	5,514	88,776	981
Wastewater Utility-Customer Deposit	20,165	4,500	3,675	20,990
Water Utility-Operating	24,370	432,776	434,410	22,736
Water Utility-Customer Deposit	25,795	5,025	4,285	26,535
Totals	<u>\$ 1,641,830</u>	<u>\$ 2,608,083</u>	<u>\$ 2,930,421</u>	<u>\$ 1,319,492</u>

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

TOWN OF DILLSBORO
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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, property tax replacement credit (local option tax), county option income tax, food and beverage tax, boat and trailer excise 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 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 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.

TOWN OF DILLSBORO
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: copies of public records, copy machine charges, accident report copies, gun permit applications, cable tv receipts, ordinance violations, fines and fees.

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 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, and transfers out that are authorized by statute, ordinance, or resolution.

TOWN OF DILLSBORO
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.

TOWN OF DILLSBORO
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.

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

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation	Garbage Collection
Cash and investments - beginning	\$ 68,828	\$ 81,244	\$ 1,108	\$ 1,939	\$ 1,595,019	\$ 1,496	\$ 537
Receipts:							
Taxes	159,258	-	-	-	-	-	-
Intergovernmental	66,385	37,934	9,282	-	667,219	-	-
Charges for services	-	-	-	700	-	-	61,268
Utility fees	-	-	-	-	-	-	-
Other receipts	27,587	-	-	430	15,760	10,300	-
Total receipts	<u>253,230</u>	<u>37,934</u>	<u>9,282</u>	<u>1,130</u>	<u>682,979</u>	<u>10,300</u>	<u>61,268</u>
Disbursements:							
Personal services	170,559	18,069	-	-	37,031	646	-
Supplies	23,557	74,932	-	-	-	8,686	-
Other services and charges	60,629	-	9,257	1,480	725,671	2,269	60,142
Debt service - principal and interest	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	280,000	-	-
Total disbursements	<u>254,745</u>	<u>93,001</u>	<u>9,257</u>	<u>1,480</u>	<u>1,042,702</u>	<u>11,601</u>	<u>60,142</u>
Excess (deficiency) of receipts over disbursements	<u>(1,515)</u>	<u>(55,067)</u>	<u>25</u>	<u>(350)</u>	<u>(359,723)</u>	<u>(1,301)</u>	<u>1,126</u>
Cash and investments - ending	<u>\$ 67,313</u>	<u>\$ 26,177</u>	<u>\$ 1,133</u>	<u>\$ 1,589</u>	<u>\$ 1,235,296</u>	<u>\$ 195</u>	<u>\$ 1,663</u>

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

	Cumulative Capital Improvement	Cumulative Fire	Storm Drainage Construction	Park Building Grant	Payroll	Child Advocacy Center Grant
Cash and investments - beginning	\$ 2,548	\$ 4,310	\$ 100	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	3,590	-	-	-	-
Intergovernmental	4,205	396	-	100,000	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	612,990	123,670
Total receipts	4,205	3,986	-	100,000	612,990	123,670
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	5,060	-	100	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	612,990	123,670
Total disbursements	5,060	-	100	-	612,990	123,670
Excess (deficiency) of receipts over disbursements	(855)	3,986	(100)	100,000	-	-
Cash and investments - ending	\$ 1,693	\$ 8,296	\$ -	\$ 100,000	\$ -	\$ -

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

	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Customer Deposit	Water Utility-Operating	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 56,084	\$ 83,892	\$ 18,675	\$ 22,206	\$ 24,015	\$ 1,962,001
Receipts:						
Taxes	-	-	-	-	-	162,848
Intergovernmental	-	-	-	-	-	885,421
Charges for services	-	-	-	-	-	61,968
Utility fees	363,458	-	-	370,407	-	733,865
Other receipts	1,079	303,982	4,085	59,845	5,060	1,164,788
Total receipts	<u>364,537</u>	<u>303,982</u>	<u>4,085</u>	<u>430,252</u>	<u>5,060</u>	<u>3,008,890</u>
Disbursements:						
Personal services	-	-	-	-	-	226,305
Supplies	-	-	-	-	-	107,175
Other services and charges	-	-	-	-	-	864,608
Debt service - principal and interest	-	303,631	-	-	-	303,631
Utility operating expenses	356,719	-	2,595	342,010	3,280	704,604
Other disbursements	20,000	-	-	86,078	-	1,122,738
Total disbursements	<u>376,719</u>	<u>303,631</u>	<u>2,595</u>	<u>428,088</u>	<u>3,280</u>	<u>3,329,061</u>
Excess (deficiency) of receipts over disbursements	<u>(12,182)</u>	<u>351</u>	<u>1,490</u>	<u>2,164</u>	<u>1,780</u>	<u>(320,171)</u>
Cash and investments - ending	<u>\$ 43,902</u>	<u>\$ 84,243</u>	<u>\$ 20,165</u>	<u>\$ 24,370</u>	<u>\$ 25,795</u>	<u>\$ 1,641,830</u>

TOWN OF DILLSBORO
 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	Riverboat	Parks And Recreation	Cumulative Capital Improvement
Cash and investments - beginning	\$ 67,313	\$ 26,177	\$ 1,133	\$ 1,589	\$ 1,235,296	\$ 195	\$ 1,693
Receipts:							
Taxes	162,583	-	-	-	-	-	-
Licenses and permits	175	-	-	250	-	-	-
Intergovernmental	61,391	38,327	8,986	-	665,866	-	4,124
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	8,079	-	-	771	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	26,762	-	-	-	1,165	13,531	-
Total receipts	<u>258,990</u>	<u>38,327</u>	<u>8,986</u>	<u>1,021</u>	<u>667,031</u>	<u>13,531</u>	<u>4,124</u>
Disbursements:							
Personal services	150,828	27,910	-	-	31,998	1,240	-
Supplies	47,385	8,452	-	-	625	5,896	-
Other services and charges	25,088	-	8,699	-	64,937	2,343	3,741
Debt service - principal and interest	-	-	-	-	88,120	-	-
Capital outlay	-	-	-	-	634,399	3,140	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	42,500	-	-
Total disbursements	<u>223,301</u>	<u>36,362</u>	<u>8,699</u>	<u>-</u>	<u>862,579</u>	<u>12,619</u>	<u>3,741</u>
Excess (deficiency) of receipts over disbursements	<u>35,689</u>	<u>1,965</u>	<u>287</u>	<u>1,021</u>	<u>(195,548)</u>	<u>912</u>	<u>383</u>
Cash and investments - ending	<u>\$ 103,002</u>	<u>\$ 28,142</u>	<u>\$ 1,420</u>	<u>\$ 2,610</u>	<u>\$ 1,039,748</u>	<u>\$ 1,107</u>	<u>\$ 2,076</u>

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

	Police Grant	Cumulative Fire	Garbage Collection	Park Building Grant	Payroll	Child Advocacy Center Grant
Cash and investments - beginning	\$ -	\$ 8,296	\$ 1,663	\$ 100,000	\$ -	\$ -
Receipts:						
Taxes	-	3,345	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	367	-	-	-	-
Charges for services	-	-	64,123	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	7,955	-	-	-	594,190	123,670
Total receipts	7,955	3,712	64,123	-	594,190	123,670
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	434	-	63,265	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	7,521	4,292	-	100,000	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	594,189	123,670
Total disbursements	7,955	4,292	63,265	100,000	594,189	123,670
Excess (deficiency) of receipts over disbursements	-	(580)	858	(100,000)	1	-
Cash and investments - ending	\$ -	\$ 7,716	\$ 2,521	\$ -	\$ 1	\$ -

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

	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Customer Deposit	Water Utility-Operating	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 43,902	\$ 84,243	\$ 20,165	\$ 24,370	\$ 25,795	\$ 1,641,830
Receipts:						
Taxes	-	-	-	-	-	165,928
Licenses and permits	-	-	-	-	-	425
Intergovernmental	-	-	-	-	-	779,061
Charges for services	-	-	-	-	-	64,123
Fines and forfeits	-	-	-	-	-	8,850
Utility fees	363,890	-	-	367,087	-	730,977
Penalties	5,623	-	-	2,163	-	7,786
Other receipts	5,095	5,514	4,500	63,526	5,025	850,933
Total receipts	<u>374,608</u>	<u>5,514</u>	<u>4,500</u>	<u>432,776</u>	<u>5,025</u>	<u>2,608,083</u>
Disbursements:						
Personal services	-	-	-	-	-	211,976
Supplies	-	-	-	-	-	62,358
Other services and charges	-	-	-	-	-	168,507
Debt service - principal and interest	-	88,776	-	-	-	176,896
Capital outlay	-	-	-	-	-	749,352
Utility operating expenses	358,603	-	-	374,665	4,285	737,553
Other disbursements	-	-	3,675	59,745	-	823,779
Total disbursements	<u>358,603</u>	<u>88,776</u>	<u>3,675</u>	<u>434,410</u>	<u>4,285</u>	<u>2,930,421</u>
Excess (deficiency) of receipts over disbursements	<u>16,005</u>	<u>(83,262)</u>	<u>825</u>	<u>(1,634)</u>	<u>740</u>	<u>(322,338)</u>
Cash and investments - ending	<u>\$ 59,907</u>	<u>\$ 981</u>	<u>\$ 20,990</u>	<u>\$ 22,736</u>	<u>\$ 26,535</u>	<u>\$ 1,319,492</u>

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 5,000	\$ 7,072
Wastewater	-	37,779
Water	-	28,642
Totals	\$ 5,000	\$ 73,493

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	800 megahertz radio loan	\$ 84,800	\$ 5,686

TOWN OF DILLSBORO
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	\$ 459,710
Infrastructure	1,450,699
Buildings	656,627
Improvements other than buildings	214,048
Machinery, equipment and vehicles	514,604
Total governmental activities	3,295,688
Wastewater:	
Land	53,670
Infrastructure	3,429,954
Buildings	2,764,564
Improvements other than buildings	28,322
Machinery, equipment and vehicles	48,318
Total Wastewater	6,324,828
Water:	
Infrastructure	530,405
Buildings	10,200
Improvements other than buildings	22,342
Machinery, equipment and vehicles	274,899
Total Water	837,846
Total capital assets	\$ 10,458,362

TOWN OF DILLSBORO
EXIT CONFERENCE

The contents of this report were discussed on January 3, 2013, with Mary Lou Powers, President of the Town Council; Janice Sullivan, Clerk-Treasurer; and Scott Fortner, Town Manager. Our examination disclosed no material items that warrant comment at this time.