

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF TRAIL CREEK

LAPORTE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
03/26/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Anne M. Dobbs	01-01-08 to 06-17-10
	(Vacant)	06-18-10 to 07-21-10
	Shannon M. Gast	07-22-10 to 08-23-10
	(Vacant)	08-24-10 to 10-31-10
	Joshleen M. Dunham	11-01-10 to 12-31-15
President of the Town Council	Warren Schacht	01-01-10 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF TRAIL CREEK, LAPORTE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Trail Creek (Town), for the period of January 1, 2010 to December 31, 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2011.

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 period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

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, 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.



Bruce Hartman
State Examiner

February 22, 2013

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 TRAIL CREEK
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	\$ (321,568)	\$ 556,981	\$ 558,406	\$ (322,993)
Motor Vehicle Highway	61,411	105,242	125,745	40,908
Local Road & Street	6,753	22,462	-	29,215
Park Donation/Activity	2,475	150	-	2,625
Local Law Enf Cont Ed	4,843	3,772	662	7,953
Infraction Deferral Prgm	4,740	500	-	5,240
Riverboat	147,383	107,471	40,211	214,643
Refuse Removal	14,258	177,425	140,000	51,683
Dui	184	-	-	184
Rainy Day	20,203	-	20,203	-
Operation Pullover	-	2,125	-	2,125
Levy Excess	13,071	-	13,071	-
Major Moves	385,951	-	63,070	322,881
Cum Cap Imp - Cig Tax	27,558	6,723	16,897	17,384
Cum Cap Development	27,219	19,394	15,222	31,391
Cedit	67,729	62,486	57,000	73,215
Payroll Memo	3,258	198,080	195,127	6,211
Totals	<u>\$ 465,468</u>	<u>\$ 1,262,811</u>	<u>\$ 1,245,614</u>	<u>\$ 482,665</u>

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

TOWN OF TRAIL CREEK
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	\$ (322,993)	\$ 405,823	\$ 478,059	\$ (395,229)
MOTOR VEHICLE HIGHWAY	40,908	137,353	95,839	82,422
LOCAL ROAD & STREET	29,215	21,735	6,157	44,793
LOCAL LAW ENF CONT ED	7,953	1,059	1,115	7,897
INFRACTION DEFERRAL PRGM	5,240	240	-	5,480
RIVERBOAT	214,643	111,122	27,714	298,051
PARK DONATION/ACTIVITY	2,625	305	-	2,930
CEDIT	73,215	46,194	-	119,409
MAJOR MOVES	322,881	-	-	322,881
CUM CAP IMP - CIG TAX	17,384	6,594	-	23,978
CUM CAP DEVELOPMENT	31,391	17,420	-	48,811
OPERATION PULLOVER	2,125	1,806	1,287	2,644
DUI	184	-	-	184
REFUSE REMOVAL	51,683	203,025	172,793	81,915
VEST FUND	-	7,000	6,750	250
PAYROLL MEMO	6,211	284,936	282,030	9,117
Totals	<u>\$ 482,665</u>	<u>\$ 1,244,612</u>	<u>\$ 1,071,744</u>	<u>\$ 655,533</u>

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

TOWN OF TRAIL CREEK
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, and trash removal.

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, but are not limited to, 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,

TOWN OF TRAIL CREEK
NOTES TO FINANCIAL STATEMENTS
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: refuge removal charges, 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, 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).

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, but are not limited to, 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: refuse removal, professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

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 TRAIL CREEK
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 TRAIL CREEK
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.

TOWN OF TRAIL CREEK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 7. Cash Balance Deficits

The financial statements show the Town General Fund with deficits in cash. This is, at least in part, due to the property tax assessment issues in LaPorte County as described in Note 8.

Note 8. Subsequent Event

LaPorte County has been unable to establish approved assessment amounts for county-wide properties for the past several years. This has caused delays in the billing and collection of property taxes. The billing of property taxes over the past several years has been on a "provisional" type basis. Once approved assessment amounts are established then "reconciling" type bills are distributed and a final settlement of taxes to governmental units is made. The due date for the 10 Pay 11 reconciling property tax bills was February 14, 2013. The County is expecting to settle these taxes to governmental units in March 2013.

These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for units of government within LaPorte County. It is undetermined how much property tax collections the County will receive once all the reconciliation bills have been distributed and the collections received.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's Annual Report information for years 2011 and later 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 TRAIL CREEK
 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 & Street	Park Donation/Activity	Local Law Enf Cont Ed	Infraction Deferral Prgm
Cash and investments - beginning	\$ (321,568)	\$ 61,411	\$ 6,753	\$ 2,475	\$ 4,843	\$ 4,740
Receipts:						
Taxes	282,146	32,886	-	-	-	-
Licenses and permits	4,631	-	-	-	410	-
Intergovernmental	138,324	72,356	22,462	-	-	-
Charges for services	1,055	-	-	-	518	-
Fines and forfeits	50	-	-	-	-	500
Other receipts	130,775	-	-	150	2,844	-
Total receipts	<u>556,981</u>	<u>105,242</u>	<u>22,462</u>	<u>150</u>	<u>3,772</u>	<u>500</u>
Disbursements:						
Personal services	319,992	40,232	-	-	-	-
Supplies	18,132	14,970	-	-	-	-
Other services and charges	207,013	53,941	-	-	662	-
Capital outlay	13,254	16,602	-	-	-	-
Other disbursements	15	-	-	-	-	-
Total disbursements	<u>558,406</u>	<u>125,745</u>	<u>-</u>	<u>-</u>	<u>662</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,425)</u>	<u>(20,503)</u>	<u>22,462</u>	<u>150</u>	<u>3,110</u>	<u>500</u>
Cash and investments - ending	<u>\$ (322,993)</u>	<u>\$ 40,908</u>	<u>\$ 29,215</u>	<u>\$ 2,625</u>	<u>\$ 7,953</u>	<u>\$ 5,240</u>

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

	Riverboat	Refuse Removal	Dui	Rainy Day	Operation Pullover	Levy Excess
Cash and investments - beginning	\$ 147,383	\$ 14,258	\$ 184	\$ 20,203	\$ -	\$ 13,071
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	107,471	-	-	-	2,125	-
Charges for services	-	177,425	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>107,471</u>	<u>177,425</u>	<u>-</u>	<u>-</u>	<u>2,125</u>	<u>-</u>
Disbursements:						
Personal services	-	11,985	-	-	-	-
Supplies	-	782	-	-	-	-
Other services and charges	40,211	127,233	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	20,203	-	13,071
Total disbursements	<u>40,211</u>	<u>140,000</u>	<u>-</u>	<u>20,203</u>	<u>-</u>	<u>13,071</u>
Excess (deficiency) of receipts over disbursements	<u>67,260</u>	<u>37,425</u>	<u>-</u>	<u>(20,203)</u>	<u>2,125</u>	<u>(13,071)</u>
Cash and investments - ending	<u>\$ 214,643</u>	<u>\$ 51,683</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ 2,125</u>	<u>\$ -</u>

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

	Major Moves	Cum Cap Imp - Cig Tax	Cum Cap Development	Cedit	Payroll Memo	Totals
Cash and investments - beginning	\$ 385,951	\$ 27,558	\$ 27,219	\$ 67,729	\$ 3,258	\$ 465,468
Receipts:						
Taxes	-	-	14,812	-	-	329,844
Licenses and permits	-	-	-	-	-	5,041
Intergovernmental	-	6,723	4,582	62,486	-	416,529
Charges for services	-	-	-	-	-	178,998
Fines and forfeits	-	-	-	-	-	550
Other receipts	-	-	-	-	198,080	331,849
Total receipts	-	6,723	19,394	62,486	198,080	1,262,811
Disbursements:						
Personal services	-	-	-	-	-	372,209
Supplies	-	-	-	-	-	33,884
Other services and charges	63,070	-	15,222	57,000	-	564,352
Capital outlay	-	-	-	-	-	29,856
Other disbursements	-	16,897	-	-	195,127	245,313
Total disbursements	63,070	16,897	15,222	57,000	195,127	1,245,614
Excess (deficiency) of receipts over disbursements	(63,070)	(10,174)	4,172	5,486	2,953	17,197
Cash and investments - ending	\$ 322,881	\$ 17,384	\$ 31,391	\$ 73,215	\$ 6,211	\$ 482,665

TOWN OF TRAIL CREEK
 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 & STREET	LOCAL LAW ENF CONT ED	INFRACTION DEFERRAL PRGM	RIVERBOAT
Cash and investments - beginning	\$ (322,993)	\$ 40,908	\$ 29,215	\$ 7,953	\$ 5,240	\$ 214,643
Receipts:						
Taxes	229,424	-	-	-	-	-
Licenses and permits	4,048	-	-	900	-	-
Intergovernmental	148,210	136,791	21,735	-	-	111,122
Charges for services	-	-	-	150	240	-
Fines and forfeits	1,247	-	-	-	-	-
Other receipts	22,894	562	-	9	-	-
Total receipts	<u>405,823</u>	<u>137,353</u>	<u>21,735</u>	<u>1,059</u>	<u>240</u>	<u>111,122</u>
Disbursements:						
Personal services	324,928	33,445	-	-	-	-
Supplies	19,865	8,793	-	-	-	-
Other services and charges	127,564	37,975	6,157	1,115	-	27,714
Capital outlay	610	1,284	-	-	-	-
Other disbursements	5,092	14,342	-	-	-	-
Total disbursements	<u>478,059</u>	<u>95,839</u>	<u>6,157</u>	<u>1,115</u>	<u>-</u>	<u>27,714</u>
Excess (deficiency) of receipts over disbursements	<u>(72,236)</u>	<u>41,514</u>	<u>15,578</u>	<u>(56)</u>	<u>240</u>	<u>83,408</u>
Cash and investments - ending	<u>\$ (395,229)</u>	<u>\$ 82,422</u>	<u>\$ 44,793</u>	<u>\$ 7,897</u>	<u>\$ 5,480</u>	<u>\$ 298,051</u>

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

	PARK DONATION/ ACTIVITY	CREDIT	MAJOR MOVES	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	OPERATION PULLOVER
Cash and investments - beginning	\$ 2,625	\$ 73,215	\$ 322,881	\$ 17,384	\$ 31,391	\$ 2,125
Receipts:						
Taxes	-	-	-	-	12,044	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	46,194	-	6,594	5,376	1,806
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	305	-	-	-	-	-
Total receipts	<u>305</u>	<u>46,194</u>	<u>-</u>	<u>6,594</u>	<u>17,420</u>	<u>1,806</u>
Disbursements:						
Personal services	-	-	-	-	-	1,287
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287</u>
Excess (deficiency) of receipts over disbursements	<u>305</u>	<u>46,194</u>	<u>-</u>	<u>6,594</u>	<u>17,420</u>	<u>519</u>
Cash and investments - ending	<u>\$ 2,930</u>	<u>\$ 119,409</u>	<u>\$ 322,881</u>	<u>\$ 23,978</u>	<u>\$ 48,811</u>	<u>\$ 2,644</u>

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

	DUI	REFUSE REMOVAL	VEST FUND	PAYROLL MEMO	Totals
Cash and investments - beginning	\$ 184	\$ 51,683	\$ -	\$ 6,211	\$ 482,665
Receipts:					
Taxes	-	-	-	-	241,468
Licenses and permits	-	-	-	-	4,948
Intergovernmental	-	-	7,000	-	484,828
Charges for services	-	203,025	-	-	203,415
Fines and forfeits	-	-	-	-	1,247
Other receipts	-	-	-	284,936	308,706
Total receipts	-	203,025	7,000	284,936	1,244,612
Disbursements:					
Personal services	-	17,014	-	-	376,674
Supplies	-	1,318	6,750	-	36,726
Other services and charges	-	154,461	-	-	354,986
Capital outlay	-	-	-	-	1,894
Other disbursements	-	-	-	282,030	301,464
Total disbursements	-	172,793	6,750	282,030	1,071,744
Excess (deficiency) of receipts over disbursements	-	30,232	250	2,906	172,868
Cash and investments - ending	\$ 184	\$ 81,915	\$ 250	\$ 9,117	\$ 655,533

TOWN OF TRAIL CREEK
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 85,000</u>	<u>\$ 80,000</u>

TOWN OF TRAIL CREEK
 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	\$ 59,800
Buildings	131,105
Improvements other than buildings	143,463
Machinery, equipment and vehicles	180,575
 Total capital assets	 \$ 514,943

TOWN OF TRAIL CREEK
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balance of the General Fund was overdrawn in 2010 and in 2011. A similar comment was noted in the prior Report B37916

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)

INTEREST ON INVESTMENTS

Interest earned on an investment in a certificate of deposit was automatically added to the principal and not recorded in the records. Unrecorded interest on the CD in 2010 and 2011, was \$1,505.83 and \$1,524.65, respectively. A similar comment was noted in the prior Report B37916.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF TRAIL CREEK
EXIT CONFERENCE

The contents of this report were discussed on February 22, 2013, with Joshleen M. Dunham, Clerk-Treasurer, and Warren Schacht, President of the Town Council. The officials concurred with our findings.