

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF THORNTOWN

BOONE COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
10/09/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tracey Vaughn	04-19-10 to 12-31-15
Town Court Judge	Donald Vaughn	01-01-08 to 12-31-15
President of the Town Council	Pat McPeak Larry Truitt	01-01-09 to 12-31-11 01-01-12 to 12-31-13
President of the Utility Service Board	Mike Spear Mike Hankins	10-07-10 to 12-31-11 01-01-12 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF THORNTOWN, BOONE COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Thorntown (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 statement 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 statement 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 statement 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 statement referred to above does 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, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, 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 statement. 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 statement. 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

August 12, 2013

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FINANCIAL STATEMENT

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

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TOWN OF THORNTOWN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL FUND	\$ 142,924	\$ 458,029	\$ 511,394	\$ 89,559	\$ 347,561	\$ 434,587	\$ 2,533
MOTOR VEHICLE HIGHWAY	141,881	41,731	33,858	149,754	41,217	129,672	61,299
LOCAL ROAD & STREET	32,256	9,914	-	42,170	12,948	-	55,118
POLICE & ACCIDENT REPORTS	929	10	-	939	5	-	944
OPERATION PULLOVER	202	2,572	2,666	108	-	-	108
LECE-USER FEES	93,054	7,916	11,167	89,803	9,464	13,096	86,171
CLERKS RECORD PERPETUATION	9,124	-	5,219	3,905	10,000	5,642	8,263
PARK DONATION	1,507	-	-	1,507	600	1,250	857
COUNTY COURT	36,397	31,961	-	68,358	41,058	-	109,416
RAINY DAY	29,261	-	10,331	18,930	-	4,821	14,109
CUM CAP IMP - CIG TAX	13,022	4,486	-	17,508	4,031	-	21,539
CUM CAP DEVELOPMENT	21,441	9,286	250	30,477	4,198	-	34,675
POLICE DONATION	1,167	-	318	849	200	-	1,049
TOWN COURT	94,095	421,029	428,941	86,183	481,926	479,670	88,439
STREET & SIGN REPAIR	522	-	-	522	-	-	522
FIRE STATION	-	429,714	429,714	-	19,215	19,215	-
FIREARMS TRAINING	1,584	730	406	1,908	460	814	1,554
IDNR TRAINING	56	-	-	56	-	16	40
TOWN POLICE TRAINING	5,717	1,964	2,620	5,061	551	1,397	4,215
PAYROLL	7,500	596,350	599,794	4,056	626,743	629,527	1,272
GENERAL EXCESS LEVY	3,258	-	-	3,258	-	-	3,258
CCD EXCESS LEVY	1,284	-	-	1,284	-	-	1,284
FIRE TRUCK	92,335	38,250	129,970	615	-	-	615
ELECTRIC UTL OPERATING	1,577,563	1,340,820	1,266,989	1,651,394	1,322,034	1,262,813	1,710,615
ELECTRIC UTL DEPRECIATI	278,126	8,491	25,000	261,617	9,810	-	271,427
ELECTRIC UTL METER DEP	39,691	9,520	7,058	42,153	9,405	6,173	45,385
WASTEWATER OPERATING	384,669	155,050	161,494	378,225	208,037	216,072	370,190
WASTEWATER DEPRECIATION	61,275	16,875	-	78,150	16,800	-	94,950
WASTEWATER DEPOSIT	8,156	1,835	1,199	8,792	2,575	1,210	10,157
WATER UTILITY OPERATING	319,327	172,403	165,190	326,540	162,079	174,303	314,316
WATER UTL DEPRECIATION	43,316	3,759	-	47,075	3,600	300	50,375
WATER UTL METER DEPOSIT	8,440	1,850	1,232	9,058	1,800	1,221	9,637
Totals	<u>\$ 3,450,079</u>	<u>\$ 3,764,545</u>	<u>\$ 3,794,810</u>	<u>\$ 3,419,814</u>	<u>\$ 3,336,317</u>	<u>\$ 3,381,799</u>	<u>\$ 3,374,332</u>

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

TOWN OF THORNTOWN
NOTES TO FINANCIAL STATEMENT

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), highways and streets, public improvements, planning and zoning, general administrative services, water, wastewater, and electric.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

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: 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 THORNTOWN
NOTES TO FINANCIAL STATEMENT
(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.

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.

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

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

TOWN OF THORNTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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.

TOWN OF THORNTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. 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 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 statement contained in this report and the financial information presented in the Annual Reports of the Town which is 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 THORNTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	POLICE & ACCIDENT REPORTS	OPERATION PULLOVER	LECE-USER FEES	CLERKS RECORD PERPETUATION	PARK DONATION	COUNTY COURT	RAINY DAY	CUM CAP IMP - CIG TAX
Cash and investments - beginning	\$ 142,924	\$ 141,881	\$ 32,256	\$ 929	\$ 202	\$ 93,054	\$ 9,124	\$ 1,507	\$ 36,397	\$ 29,261	\$ 13,022
Receipts:											
Taxes	173,906	-	-	-	-	-	-	-	-	-	-
Licenses and permits	1,075	-	-	-	-	-	-	-	-	-	-
Intergovernmental	148,306	41,731	9,914	-	-	-	-	-	-	-	4,486
Fines and forfeits	59,689	-	-	-	-	7,916	-	31,961	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-
Other receipts	75,053	-	-	10	2,572	-	-	-	-	-	-
Total receipts	<u>458,029</u>	<u>41,731</u>	<u>9,914</u>	<u>10</u>	<u>2,572</u>	<u>7,916</u>	<u>-</u>	<u>31,961</u>	<u>-</u>	<u>-</u>	<u>4,486</u>
Disbursements:											
Personal services	304,844	9,544	-	-	2,666	-	-	-	-	-	-
Supplies	26,517	1,971	-	-	-	-	1,093	-	-	7,064	-
Other services and charges	165,024	22,343	-	-	-	11,167	1,925	-	-	3,267	-
Capital outlay	15,009	-	-	-	-	-	2,201	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>511,394</u>	<u>33,858</u>	<u>-</u>	<u>-</u>	<u>2,666</u>	<u>11,167</u>	<u>5,219</u>	<u>-</u>	<u>-</u>	<u>10,331</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(53,365)</u>	<u>7,873</u>	<u>9,914</u>	<u>10</u>	<u>(94)</u>	<u>(3,251)</u>	<u>(5,219)</u>	<u>-</u>	<u>31,961</u>	<u>(10,331)</u>	<u>4,486</u>
Cash and investments - ending	<u>\$ 89,559</u>	<u>\$ 149,754</u>	<u>\$ 42,170</u>	<u>\$ 939</u>	<u>\$ 108</u>	<u>\$ 89,803</u>	<u>\$ 3,905</u>	<u>\$ 1,507</u>	<u>\$ 68,358</u>	<u>\$ 18,930</u>	<u>\$ 17,508</u>

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

	CUM CAP DEVELOPMENT	POLICE DONATION	TOWN COURT	STREET & SIGN REPAIR	FIRE STATION	FIREARMS TRAINING	IDNR TRAINING	TOWN POLICE TRAINING	PAYROLL	GENERAL EXCESS LEVY	CCD EXCESS LEVY
Cash and investments - beginning	\$ 21,441	\$ 1,167	\$ 94,095	\$ 522	\$ -	\$ 1,584	\$ 56	\$ 5,717	\$ 7,500	\$ 3,258	\$ 1,284
Receipts:											
Taxes	8,206	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	730	-	-	-	-	-
Intergovernmental	1,080	-	-	-	429,714	-	-	-	-	-	-
Fines and forfeits	-	-	421,029	-	-	-	-	1,964	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	596,350	-	-
Total receipts	<u>9,286</u>	<u>-</u>	<u>421,029</u>	<u>-</u>	<u>429,714</u>	<u>730</u>	<u>-</u>	<u>1,964</u>	<u>596,350</u>	<u>-</u>	<u>-</u>
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	250	-	-	-	-	406	-	600	-	-	-
Capital outlay	-	-	-	-	429,714	-	-	2,020	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	318	428,941	-	-	-	-	-	599,794	-	-
Total disbursements	<u>250</u>	<u>318</u>	<u>428,941</u>	<u>-</u>	<u>429,714</u>	<u>406</u>	<u>-</u>	<u>2,620</u>	<u>599,794</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>9,036</u>	<u>(318)</u>	<u>(7,912)</u>	<u>-</u>	<u>-</u>	<u>324</u>	<u>-</u>	<u>(656)</u>	<u>(3,444)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,477</u>	<u>\$ 849</u>	<u>\$ 86,183</u>	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ 1,908</u>	<u>\$ 56</u>	<u>\$ 5,061</u>	<u>\$ 4,056</u>	<u>\$ 3,258</u>	<u>\$ 1,284</u>

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

	FIRE TRUCK	ELECTRIC UTL OPERATING	ELECTRIC UTL DEPRECIATI	ELECTRIC UTL METER DEP	WASTEWATER OPERATING	WASTEWATER DEPRECIATION	WASTEWATER DEPOSIT	WATER UTILITY OPERATING	WATER UTL DEPRECIATION	WATER UTL METER DEPOSIT	Totals
Cash and investments - beginning	\$ 92,335	\$ 1,577,563	\$ 278,126	\$ 39,691	\$ 384,669	\$ 61,275	\$ 8,156	\$ 319,327	\$ 43,316	\$ 8,440	\$ 3,450,079
Receipts:											
Taxes	-	64,778	-	-	-	-	-	9,399	-	-	256,289
Licenses and permits	-	-	-	-	-	-	-	-	-	-	1,805
Intergovernmental	-	-	-	-	-	-	-	-	-	-	635,231
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	522,559
Utility fees	-	1,240,234	-	-	143,562	-	-	158,995	-	-	1,542,791
Penalties	-	15,249	-	-	5,345	-	-	2,346	-	-	22,940
Other receipts	38,250	20,559	8,491	9,520	6,143	16,875	1,835	1,663	3,759	1,850	782,930
Total receipts	38,250	1,340,820	8,491	9,520	155,050	16,875	1,835	172,403	3,759	1,850	3,764,545
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	317,054
Supplies	-	-	-	-	-	-	-	-	-	-	36,645
Other services and charges	-	-	-	-	-	-	-	-	-	-	204,982
Capital outlay	-	5,883	25,000	-	-	-	-	3,298	-	-	483,125
Utility operating expenses	-	1,158,183	-	-	135,062	-	-	130,602	-	-	1,423,847
Other disbursements	129,970	102,923	-	7,058	26,432	-	1,199	31,290	-	1,232	1,329,157
Total disbursements	129,970	1,266,989	25,000	7,058	161,494	-	1,199	165,190	-	1,232	3,794,810
Excess (deficiency) of receipts over disbursements	(91,720)	73,831	(16,509)	2,462	(6,444)	16,875	636	7,213	3,759	618	(30,265)
Cash and investments - ending	\$ 615	\$ 1,651,394	\$ 261,617	\$ 42,153	\$ 378,225	\$ 78,150	\$ 8,792	\$ 326,540	\$ 47,075	\$ 9,058	\$ 3,419,814

TOWN OF THORNTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	POLICE & ACCIDENT REPORTS	OPERATION PULLOVER	LECE-USER FEES	CLERKS RECORD PERPETUATION	PARK DONATION	COUNTY COURT	RAINY DAY	CUM CAP IMP - CIG TAX
Cash and investments - beginning	\$ 89,559	\$ 149,754	\$ 42,170	\$ 939	\$ 108	\$ 89,803	\$ 3,905	\$ 1,507	\$ 68,358	\$ 18,930	\$ 17,508
Receipts:											
Taxes	84,976	-	-	-	-	-	-	-	-	-	-
Licenses and permits	440	-	-	-	-	-	-	-	-	-	-
Intergovernmental	176,607	41,217	12,948	-	-	-	-	-	-	-	4,031
Fines and forfeits	78,445	-	-	-	-	9,464	10,000	-	41,058	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-
Other receipts	7,093	-	-	5	-	-	-	600	-	-	-
Total receipts	<u>347,561</u>	<u>41,217</u>	<u>12,948</u>	<u>5</u>	<u>-</u>	<u>9,464</u>	<u>10,000</u>	<u>600</u>	<u>41,058</u>	<u>-</u>	<u>4,031</u>
Disbursements:											
Personal services	315,953	9,909	-	-	-	-	-	-	-	-	-
Supplies	26,984	449	-	-	-	-	4,127	1,250	-	2,749	-
Other services and charges	75,156	119,314	-	-	-	13,096	-	-	-	2,072	-
Capital outlay	16,494	-	-	-	-	-	1,515	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>434,587</u>	<u>129,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,096</u>	<u>5,642</u>	<u>1,250</u>	<u>-</u>	<u>4,821</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(87,026)</u>	<u>(88,455)</u>	<u>12,948</u>	<u>5</u>	<u>-</u>	<u>(3,632)</u>	<u>4,358</u>	<u>(650)</u>	<u>41,058</u>	<u>(4,821)</u>	<u>4,031</u>
Cash and investments - ending	<u>\$ 2,533</u>	<u>\$ 61,299</u>	<u>\$ 55,118</u>	<u>\$ 944</u>	<u>\$ 108</u>	<u>\$ 86,171</u>	<u>\$ 8,263</u>	<u>\$ 857</u>	<u>\$ 109,416</u>	<u>\$ 14,109</u>	<u>\$ 21,539</u>

TOWN OF THORNTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CUM CAP DEVELOPMENT	POLICE DONATION	TOWN COURT	STREET & SIGN REPAIR	FIRE STATION	FIREARMS TRAINING	IDNR TRAINING	TOWN POLICE TRAINING	PAYROLL	GENERAL EXCESS LEVY	CCD EXCESS LEVY
Cash and investments - beginning	\$ 30,477	\$ 849	\$ 86,183	\$ 522	\$ -	\$ 1,908	\$ 56	\$ 5,061	\$ 4,056	\$ 3,258	\$ 1,284
Receipts:											
Taxes	3,623	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	460	-	-	-	-	-
Intergovernmental	575	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	481,926	-	-	-	-	551	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	200	-	-	19,215	-	-	-	626,743	-	-
Total receipts	<u>4,198</u>	<u>200</u>	<u>481,926</u>	<u>-</u>	<u>19,215</u>	<u>460</u>	<u>-</u>	<u>551</u>	<u>626,743</u>	<u>-</u>	<u>-</u>
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	814	-	1,397	-	-	-
Capital outlay	-	-	-	-	19,215	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	479,670	-	-	-	16	-	629,527	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>479,670</u>	<u>-</u>	<u>19,215</u>	<u>814</u>	<u>16</u>	<u>1,397</u>	<u>629,527</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,198</u>	<u>200</u>	<u>2,256</u>	<u>-</u>	<u>-</u>	<u>(354)</u>	<u>(16)</u>	<u>(846)</u>	<u>(2,784)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 34,675</u>	<u>\$ 1,049</u>	<u>\$ 88,439</u>	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ 1,554</u>	<u>\$ 40</u>	<u>\$ 4,215</u>	<u>\$ 1,272</u>	<u>\$ 3,258</u>	<u>\$ 1,284</u>

TOWN OF THORNTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	FIRE TRUCK	ELECTRIC UTL OPERATING	ELECTRIC UTL DEPRECIATI	ELECTRIC UTL METER DEP	WASTEWATER OPERATING	WASTEWATER DEPRECIATION	WASTEWATER DEPOSIT	WATER UTILITY OPERATING	WATER UTL DEPRECIATION	WATER UTL METER DEPOSIT	Totals
Cash and investments - beginning	\$ 615	\$ 1,651,394	\$ 261,617	\$ 42,153	\$ 378,225	\$ 78,150	\$ 8,792	\$ 326,540	\$ 47,075	\$ 9,058	\$ 3,419,814
Receipts:											
Taxes	-	65,842	-	-	-	-	-	9,734	-	-	164,175
Licenses and permits	-	-	-	-	-	-	-	-	-	-	900
Intergovernmental	-	-	-	-	-	-	-	-	-	-	235,378
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	621,444
Utility fees	-	1,188,770	-	-	184,635	-	-	146,638	-	-	1,520,043
Penalties	-	14,538	-	-	6,695	-	-	2,605	-	-	23,838
Other receipts	-	52,884	9,810	9,405	16,707	16,800	2,575	3,102	3,600	1,800	770,539
Total receipts	-	1,322,034	9,810	9,405	208,037	16,800	2,575	162,079	3,600	1,800	3,336,317
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	325,862
Supplies	-	-	-	-	-	-	-	-	-	-	35,559
Other services and charges	-	-	-	-	-	-	-	-	-	-	211,849
Capital outlay	-	2,040	-	-	-	-	-	-	-	-	39,264
Utility operating expenses	-	1,155,582	-	-	149,475	-	-	144,030	-	-	1,449,087
Other disbursements	-	105,191	-	6,173	66,597	-	1,210	30,273	300	1,221	1,320,178
Total disbursements	-	1,262,813	-	6,173	216,072	-	1,210	174,303	300	1,221	3,381,799
Excess (deficiency) of receipts over disbursements	-	59,221	9,810	3,232	(8,035)	16,800	1,365	(12,224)	3,300	579	(45,482)
Cash and investments - ending	\$ 615	\$ 1,710,615	\$ 271,427	\$ 45,385	\$ 370,190	\$ 94,950	\$ 10,157	\$ 314,316	\$ 50,375	\$ 9,637	\$ 3,374,332

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TOWN OF THORNTOWN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 7,257	\$ 82,559
Electric	95,296	218,647
Wastewater	1,296	42,205
Water	1,279	32,857
 Totals	 \$ 105,128	 \$ 376,268

TOWN OF THORNTOWN
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Wastewater: U.S. Bancorp	Equipment lease sewer project	\$ 61,706	11-01-12	10-01-17
Total of annual lease payments		<u>\$ 61,706</u>		

TOWN OF THORNTOWN
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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	\$ 97,000
Buildings	1,557,829
Improvements other than buildings	79,300
Machinery, equipment, and vehicles	684,545
Total governmental activities	2,418,674
Electric:	
Infrastructure	354,430
Buildings	552,861
Machinery, equipment, and vehicles	126,951
Total Electric	1,034,242
Wastewater:	
Land	211,852
Infrastructure	96,423
Machinery, equipment, and vehicles	142,067
Construction in progress	294,000
Total Wastewater	744,342
Water:	
Land	11,000
Infrastructure	657,350
Buildings	696,649
Machinery, equipment, and vehicles	63,022
Total Water	1,428,021
Total capital assets	\$ 5,625,279

TOWN OF THORNTOWN
EXAMINATION RESULT AND COMMENT

REMITTANCE OF COURT COSTS AND FEES

Collections of court costs and fees were not remitted to the County or the Town on a timely basis. Delays of up to 5 months were noted during the audit period.

Indiana Code 33-37-7-8 states in part:

"(a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the homeowner protection unit account established by IC 4-6-12-9 one hundred percent (100%) of the automated record keeping fees collected . . .

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected . . .

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected . . .

(d) The clerk of a city or town court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9 . . .

(e) The clerk of a city or town court shall distribute monthly to the county auditor . . .

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the following:

(1) The late payment fees collected under IC 33-37-5-22.

(2) The small claims service fee collected under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2).

(3) The small claims garnishee service fee collected under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3). . . .

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The DNA sample processing fees collected under IC 33-37-5-26.2.

(3) The court administration fees collected under IC 33-37-5-27. . . .

(h) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected . . .

(i) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund seventy-five percent (75%) of the judicial salaries fee collected under IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five percent (25%) of the judicial salaries fee collected under IC 33-37-5-26. . .

(j) The clerk of a city or town court shall distribute semiannually to the auditor of state one hundred percent (100%) of the pro bono legal fees collected before July 1, 2017, under IC 33-37-5-31. . . ."

TOWN OF THORNTOWN
EXIT CONFERENCE

The contents of this report were discussed on September 3, 2013, with Tracey Vaughn, Clerk-Treasurer; Larry Truitt, President of the Town Council; Donald Vaughn, Town Court Judge; and Sandy Gates, Utility Office Manager/Court Clerk. The officials concurred with our findings.