

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF DANVILLE

HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
10/11/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amy Cating	01-01-12 to 12-31-15
President of the Town Council	Marcia Lynch	01-01-12 to 01-01-13
Superintendent of Water Utility	James Russell	01-01-12 to 12-31-13
Superintendent of Wastewater Utility	Jerry Crisp	01-01-12 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 DANVILLE, HENDRICKS COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Danville (Town), for the year ended 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 year ended 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 year ended 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 Schedule 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 statement and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

September 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.

TOWN OF DANVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Cash - General Operating	\$ 872,897	\$ 4,380,601	\$ 4,383,017	\$ 870,481
Cash - Mvh	244,442	370,464	315,091	299,815
Cash - Lrs	8,921	95,770	81,570	23,121
Cash - Park Nonreverting	82,852	164,083	138,411	108,524
Cash - Parking Violations	20,821	15,070	18,110	17,781
Cash - Law Enforcement Cont Ed	7,566	7,599	6,866	8,299
Cash - Wagering Fund	21,483	53,321	38,276	36,528
Cash - Rainy Day Fund	888,832	39,542	239,678	688,696
Cash - Edit	360,846	364,170	353,489	371,527
Cash - Ccd	19,425	34,726	30,396	23,755
Cash - Cci Building	3,251	23,873	19,949	7,175
BOND PROCEEDS	-	10,971	9,159	1,812
Cash - Fire Donations	3,683	2,505	1,636	4,552
Cash - Pool & Park Donations	17,794	13,713	27,352	4,155
Cash - Police Grant	19	6,017	6,036	-
Cash - Police Donations	7,105	9,341	7,348	9,098
Tif District	1,851,139	-	103,752	1,747,387
Cash - Host Community Agreement	356,992	697,674	501,664	553,002
Cash - Go Bonds	46,055	162,085	210,015	(1,875)
Cash - Park Bonds	21,031	80,012	99,166	1,877
Host Future Investment Fund	2,430,685	201,871	-	2,632,556
Cash - Blanton House Deposits	2,000	8,000	5,000	5,000
Cash - Payroll	42,178	4,804,567	4,819,735	27,010
Train Station Deposits	1,300	8,701	8,101	1,900
Stormwater Fund	204,482	354,634	295,021	264,095
WWTP ESCROW	-	364	-	364
Cash - Wwtp Fund	72,087	1,927,578	1,673,640	326,025
Cash - Wwtp Bond & Interest	142,880	570,000	675,996	36,884
Cash - Replacement Fund	530,199	114,500	131,939	512,760
Cash - Wwtp Construction	334,107	209	-	334,316
Debt Reserve	673,222	-	-	673,222
Water Operating	(185,887)	1,786,566	1,262,455	338,224
Bond & Interest	98,344	310,000	370,683	37,661
Replacement	208,591	81,915	70,676	219,830
Water Deposits	39,895	19,445	17,390	41,950
Debt Reserve	371,475	-	-	371,475
<b>Totals</b>	<b>\$ 9,800,712</b>	<b>\$ 16,719,887</b>	<b>\$ 15,921,617</b>	<b>\$ 10,598,982</b>

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

TOWN OF DANVILLE  
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 and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial 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 statement. 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: 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 DANVILLE  
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.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. 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.

TOWN OF DANVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

TOWN OF DANVILLE  
NOTES TO FINANCIAL STATEMENT  
(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 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 Plans**

*A. 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 DANVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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*

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

**Note 7. Cash Balance Deficits**

The financial statement reports a deficit in cash in the Cash-GO Bonds fund in the amount of \$1,875. This is a result of the effect of the circuit breaker on the amount of property taxes received which resulted in actual property tax receipts from the County being less than anticipated causing the fund to be in the negative.

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

	Cash - General Operating	Cash - Mvh	Cash - Lrs	Cash - Park Nonreverting	Cash - Parking Violations	Cash - Law Enforcement Cont Ed	Cash - Wagering Fund
Cash and investments - beginning	\$ 872,897	\$ 244,442	\$ 8,921	\$ 82,852	\$ 20,821	\$ 7,566	\$ 21,483
Receipts:							
Taxes	1,786,734	-	-	-	-	-	-
Licenses and permits	100,537	-	-	-	-	5,230	-
Intergovernmental	1,492,669	370,464	91,984	-	-	-	53,321
Charges for services	879,786	-	-	164,083	-	847	-
Fines and forfeits	285	-	-	-	15,070	264	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	120,590	-	3,786	-	-	1,258	-
Total receipts	<u>4,380,601</u>	<u>370,464</u>	<u>95,770</u>	<u>164,083</u>	<u>15,070</u>	<u>7,599</u>	<u>53,321</u>
Disbursements:							
Personal services	3,632,696	37,125	-	61,184	9,287	-	-
Supplies	235,858	125,069	81,570	77,227	8,823	-	-
Other services and charges	455,392	93,846	-	-	-	6,866	38,276
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	37,721	59,051	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,350	-	-	-	-	-	-
Total disbursements	<u>4,383,017</u>	<u>315,091</u>	<u>81,570</u>	<u>138,411</u>	<u>18,110</u>	<u>6,866</u>	<u>38,276</u>
Excess (deficiency) of receipts over disbursements	<u>(2,416)</u>	<u>55,373</u>	<u>14,200</u>	<u>25,672</u>	<u>(3,040)</u>	<u>733</u>	<u>15,045</u>
Cash and investments - ending	<u>\$ 870,481</u>	<u>\$ 299,815</u>	<u>\$ 23,121</u>	<u>\$ 108,524</u>	<u>\$ 17,781</u>	<u>\$ 8,299</u>	<u>\$ 36,528</u>

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

	Cash - Rainy Day Fund	Cash - Edit	Cash - Ccd	Cash - Cci Building	BOND PROCEEDS	Cash - Fire Donations
Cash and investments - beginning	\$ 888,832	\$ 360,846	\$ 19,425	\$ 3,251	\$ -	\$ 3,683
Receipts:						
Taxes	-	-	31,193	-	-	-
Licenses and permits	-	-	386	-	-	-
Intergovernmental	39,542	363,416	3,147	23,873	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	754	-	-	10,971	2,505
Total receipts	<u>39,542</u>	<u>364,170</u>	<u>34,726</u>	<u>23,873</u>	<u>10,971</u>	<u>2,505</u>
Disbursements:						
Personal services	-	-	5,083	-	-	-
Supplies	36,945	-	-	-	9,159	-
Other services and charges	202,733	24,448	6,679	19,949	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	30,273	18,634	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	298,768	-	-	-	1,636
Total disbursements	<u>239,678</u>	<u>353,489</u>	<u>30,396</u>	<u>19,949</u>	<u>9,159</u>	<u>1,636</u>
Excess (deficiency) of receipts over disbursements	<u>(200,136)</u>	<u>10,681</u>	<u>4,330</u>	<u>3,924</u>	<u>1,812</u>	<u>869</u>
Cash and investments - ending	<u>\$ 688,696</u>	<u>\$ 371,527</u>	<u>\$ 23,755</u>	<u>\$ 7,175</u>	<u>\$ 1,812</u>	<u>\$ 4,552</u>

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

	Cash - Pool & Park Donations	Cash - Police Grant	Cash - Police Donations	Tif District	Cash - Host Community Agreement	Cash - Go Bonds
Cash and investments - beginning	\$ 17,794	\$ 19	\$ 7,105	\$ 1,851,139	\$ 356,992	\$ 46,055
Receipts:						
Taxes	-	6,017	-	-	-	147,231
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	14,854
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	13,713	-	9,341	-	697,674	-
Total receipts	<u>13,713</u>	<u>6,017</u>	<u>9,341</u>	<u>-</u>	<u>697,674</u>	<u>162,085</u>
Disbursements:						
Personal services	-	6,036	-	-	-	-
Supplies	-	-	7,348	-	-	-
Other services and charges	-	-	-	98,752	-	-
Debt service - principal and interest	-	-	-	-	-	210,015
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	27,352	-	-	5,000	501,664	-
Total disbursements	<u>27,352</u>	<u>6,036</u>	<u>7,348</u>	<u>103,752</u>	<u>501,664</u>	<u>210,015</u>
Excess (deficiency) of receipts over disbursements	<u>(13,639)</u>	<u>(19)</u>	<u>1,993</u>	<u>(103,752)</u>	<u>196,010</u>	<u>(47,930)</u>
Cash and investments - ending	<u>\$ 4,155</u>	<u>\$ -</u>	<u>\$ 9,098</u>	<u>\$ 1,747,387</u>	<u>\$ 553,002</u>	<u>\$ (1,875)</u>

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

	Cash - Park Bonds	Host Future Investment Fund	Cash - Blanton House Deposits	Cash - Payroll	Train Station Deposits	Stormwater Fund
Cash and investments - beginning	\$ 21,031	\$ 2,430,685	\$ 2,000	\$ 42,178	\$ 1,300	\$ 204,482
Receipts:						
Taxes	72,680	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	7,332	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	348,672
Penalties	-	-	-	-	-	5,962
Other receipts	-	201,871	8,000	4,804,567	8,701	-
Total receipts	<u>80,012</u>	<u>201,871</u>	<u>8,000</u>	<u>4,804,567</u>	<u>8,701</u>	<u>354,634</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	99,166	-	-	-	-	-
Capital outlay	-	-	-	-	-	43,241
Utility operating expenses	-	-	-	-	-	251,780
Other disbursements	-	-	5,000	4,819,735	8,101	-
Total disbursements	<u>99,166</u>	<u>-</u>	<u>5,000</u>	<u>4,819,735</u>	<u>8,101</u>	<u>295,021</u>
Excess (deficiency) of receipts over disbursements	<u>(19,154)</u>	<u>201,871</u>	<u>3,000</u>	<u>(15,168)</u>	<u>600</u>	<u>59,613</u>
Cash and investments - ending	<u>\$ 1,877</u>	<u>\$ 2,632,556</u>	<u>\$ 5,000</u>	<u>\$ 27,010</u>	<u>\$ 1,900</u>	<u>\$ 264,095</u>

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

	WWTP ESCROW	Cash - Wwtp Fund	Cash - Wwtp Bond & Interest	Cash - Replacement Fund	Cash - Wwtp Construction	Debt Reserve
Cash and investments - beginning	\$ -	\$ 72,087	\$ 142,880	\$ 530,199	\$ 334,107	\$ 673,222
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	1,869,795	-	114,500	-	-
Penalties	-	25,969	-	-	-	-
Other receipts	364	31,814	570,000	-	209	-
Total receipts	<u>364</u>	<u>1,927,578</u>	<u>570,000</u>	<u>114,500</u>	<u>209</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	31,183	-	-
Utility operating expenses	-	1,003,640	-	100,756	-	-
Other disbursements	-	670,000	675,996	-	-	-
Total disbursements	<u>-</u>	<u>1,673,640</u>	<u>675,996</u>	<u>131,939</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>364</u>	<u>253,938</u>	<u>(105,996)</u>	<u>(17,439)</u>	<u>209</u>	<u>-</u>
Cash and investments - ending	<u>\$ 364</u>	<u>\$ 326,025</u>	<u>\$ 36,884</u>	<u>\$ 512,760</u>	<u>\$ 334,316</u>	<u>\$ 673,222</u>

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

	Water Operating	Bond & Interest	Replacement	Water Deposits	Debt Reserve	Totals
Cash and investments - beginning	\$ (185,887)	\$ 98,344	\$ 208,591	\$ 39,895	\$ 371,475	\$ 9,800,712
Receipts:						
Taxes	-	-	-	-	-	2,043,855
Licenses and permits	-	-	-	-	-	106,153
Intergovernmental	-	-	-	-	-	2,460,602
Charges for services	-	-	-	-	-	1,044,716
Fines and forfeits	-	-	-	-	-	15,619
Utility fees	1,745,199	-	66,815	-	-	4,144,981
Penalties	23,316	-	-	-	-	55,247
Other receipts	18,051	310,000	15,100	19,445	-	6,848,714
Total receipts	<u>1,786,566</u>	<u>310,000</u>	<u>81,915</u>	<u>19,445</u>	<u>-</u>	<u>16,719,887</u>
Disbursements:						
Personal services	-	-	-	-	-	3,751,411
Supplies	-	-	-	-	-	581,999
Other services and charges	-	-	-	-	-	946,941
Debt service - principal and interest	-	-	-	-	-	309,181
Capital outlay	-	-	70,676	-	-	290,779
Utility operating expenses	890,153	-	-	-	-	2,246,329
Other disbursements	372,302	370,683	-	17,390	-	7,794,977
Total disbursements	<u>1,262,455</u>	<u>370,683</u>	<u>70,676</u>	<u>17,390</u>	<u>-</u>	<u>15,921,617</u>
Excess (deficiency) of receipts over disbursements	<u>524,111</u>	<u>(60,683)</u>	<u>11,239</u>	<u>2,055</u>	<u>-</u>	<u>798,270</u>
Cash and investments - ending	<u>\$ 338,224</u>	<u>\$ 37,661</u>	<u>\$ 219,830</u>	<u>\$ 41,950</u>	<u>\$ 371,475</u>	<u>\$ 10,598,982</u>

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Storm Water	\$ 295,020	\$ 354,634
Wastewater	2,481,575	2,612,651
Water	1,703,815	2,180,536
Governmental activities	<u>11,554,678</u>	<u>11,423,817</u>
Totals	<u>\$ 16,035,088</u>	<u>\$ 16,571,638</u>

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	PUBLIC WORKS 2007	\$ 201,000	\$ 105,965
General obligation bonds	PARK BONDS 2004	335,000	198,394
General obligation bonds	POLICE VEHICLES 2011	<u>204,000</u>	<u>103,500</u>
Total governmental activities		<u>740,000</u>	<u>407,859</u>
Wastewater:			
Revenue bonds	Wastewater 1996	310,000	110,500
Revenue bonds	Wastewater 2005	<u>6,420,000</u>	<u>563,802</u>
Total Wastewater		<u>6,730,000</u>	<u>674,302</u>
Water:			
Revenue bonds	WATER 2004	547,174	57,957
Revenue bonds	WATER 2003	1,508,000	158,701
Revenue bonds	WATER 2001	<u>1,257,000</u>	<u>154,023</u>
Total Water		<u>3,312,174</u>	<u>370,681</u>
Totals		<u>\$ 10,782,174</u>	<u>\$ 1,452,842</u>

TOWN OF DANVILLE  
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	
Infrastructure	\$ 726,004
Buildings	1,285,237
Improvements other than buildings	2,470,748
Machinery, equipment, and vehicles	3,310,745
	2,474,349
Total governmental activities	10,267,083
Wastewater:	
Land	
Infrastructure	1,557,379
Buildings	5,777,948
Machinery, equipment, and vehicles	1,000,000
	21,038,268
Total Wastewater	29,373,595
Total capital assets	\$ 39,640,678

TOWN OF DANVILLE  
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2013, with Amy Cating, Clerk-Treasurer; Marcia Lynch, President of the Town Council; and Gary Eakin, Town Manager. Our examination disclosed no material items that warrant comment at this time.