

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

EXAMINATION REPORT  
OF  
TOWN OF NORTH JUDSON  
STARKE COUNTY, INDIANA  
January 1, 2009 to December 31, 2010



**FILED**  
08/25/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie Miller	01-01-08 to 12-31-11
President of the Town Council	Dan Anderson	01-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NORTH JUDSON, STARKE COUNTY, INDIANA

We have examined the financial statement(s) of the Town of North Judson (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statement(s). Our responsibility is to express an opinion 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(s) and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement(s) referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement(s). They have not been subjected to the examination procedures applied to the financial statement(s) and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, the Town Council, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 4, 2011

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FINANCIAL STATEMENT(S)

TOWN OF NORTH JUDSON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
REGULATORY BASIS  
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 346,076	\$ 619,504	\$ 551,810	\$ 413,770
Motor Vehicle Highway	145,494	61,538	93,140	113,892
Local Road and Street	56,501	8,865	11,000	54,366
Park	17,797	19,531	21,013	16,315
Ocra Grant - Firehouse	-	312,190	312,190	-
Law Enforcement Continuing Education	3,005	3,561	619	5,947
Unsafe Building	-	2,271	2,271	-
Ocra Grant - Cso Project	-	141,615	128,732	12,883
Rainy Day	49,010	39,759	-	88,769
Cops Grant	-	8,300	8,300	-
Levy Excess	18,226	-	18,226	-
Remc Operation Round-Up	-	1,000	1,000	-
Police Public Donation	80	310	-	390
Cumulative Capital Development	54,857	7,328	18,750	43,435
Edit	148,731	135,202	147,726	136,207
Cumulative Capital Improvement	15,425	5,137	11,333	9,229
Firehouse	-	901	901	-
Rr Capital Improve/Maint	34,493	37,145	7,790	63,848
Self-Insurance	6	2	8	-
Payroll	(1,465)	515,001	513,536	-
Utility Clearance	92	785,578	785,661	9
Wastewater Utility-Operating	193,496	1,053,031	1,082,790	163,737
Wastewater Utility-Bond And Interest	38,707	195,102	124,178	109,631
Wastewater Utility-Customer Deposit	13,640	4,725	2,950	15,415
Wastewater Utility-Debt Reserve	215,080	44,217	46,176	213,121
Water Utility-Operating	58,274	326,971	332,080	53,165
Water Utility-Bond And Interest	9,858	29,390	29,608	9,640
Water Utility-Depreciation/Improvement	112,977	22,564	-	135,541
Water Utility-Customer Deposit	40,283	7,650	6,471	41,462
Water Utility-Debt Reserve	33,268	-	-	33,268
	<u>\$ 1,603,911</u>	<u>\$ 4,388,388</u>	<u>\$ 4,258,259</u>	<u>\$ 1,734,040</u>

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

TOWN OF NORTH JUDSON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 413,770	\$ 1,167,308	\$ 1,064,333	\$ 516,745
Motor Vehicle Highway	113,892	170,465	199,082	85,275
Local Road And Street	54,366	70,051	72,397	52,020
Law Enforcement Continuation Education	5,947	5,383	8,252	3,078
Unsafe Building	-	7,962	4,806	3,156
Park	16,315	41,054	36,209	21,160
Ocra Grant - Cso Project	12,883	120,223	133,106	-
Ode Lighting Grant	-	4,000	4,000	-
Rainy Day	88,769	193,963	141,366	141,366
Levy Excess	-	1,896	948	948
Police Public Donation	390	590	490	490
Cumulative Capital Development	43,435	56,345	57,676	42,104
Edit	136,207	304,028	297,479	142,756
Cumulative Capital Improvement	9,229	13,177	19,855	2,551
Rr Capital Improve/Maint	63,848	42,834	49,893	56,789
Payroll	-	521,941	521,142	799
Utility Clearance	9	866,841	866,850	-
Wastewater Utility-Operating	163,737	503,350	531,793	135,294
Wastewater Utility-Bond And Interest	109,631	208,524	206,024	112,131
Wastewater Utility-Customer Deposit	15,415	5,775	2,850	18,340
Wastewater Utility-Debt Reserve	213,121	44,217	41,374	215,964
Water Utility-Operating	53,165	281,602	288,054	46,713
Water Utility-Bond And Interest	9,640	30,370	28,915	11,095
Water Utility-Depreciation/Improvement	135,541	22,509	56,961	101,089
Water Utility-Customer Deposit	41,462	8,575	6,475	43,562
Water Utility-Debt Reserve	33,268	-	-	33,268
Totals	<u>\$ 1,734,040</u>	<u>\$ 4,692,983</u>	<u>\$ 4,640,330</u>	<u>\$ 1,786,693</u>

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

TOWN OF NORTH JUDSON, STARKE COUNTY  
NOTES TO FINANCIAL STATEMENT(S)

**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(s) present(s) the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

*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.

TOWN OF NORTH JUDSON, STARKE COUNTY  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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.

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: 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.

TOWN OF NORTH JUDSON, STARKE COUNTY  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

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.

*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.

TOWN OF NORTH JUDSON, STARKE COUNTY  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

**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.

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. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

**Note 6. Pension Plan**

*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 PERF 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.

PERF 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:

TOWN OF NORTH JUDSON, STARKE COUNTY  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of North Judson's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

TOWN OF NORTH JUDSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road and Street	Park	Ocra Grant Firehouse	Law Enforcement Continuing Education	Unsafe Building
Cash and investments - beginning	\$ 346,076	\$ 145,494	\$ 56,501	\$ 17,797	\$ -	\$ 3,005	\$ -
Receipts:							
Taxes	329,917	11,931	-	15,287	-	-	-
Licenses and permits	2,556	-	-	-	-	-	-
Intergovernmental	111,448	46,008	8,865	2,083	312,190	-	-
Charges for services	120,284	600	-	1,900	-	2,484	-
Fines and forfeits	3,444	-	-	-	-	1,077	-
Utility fees	-	-	-	-	-	-	-
Other receipts	51,855	2,999	-	261	-	-	2,271
Total receipts	619,504	61,538	8,865	19,531	312,190	3,561	2,271
Disbursements:							
Personal services	233,759	23,223	-	12,615	-	-	-
Supplies	18,362	17,343	-	2,476	-	-	-
Other services and charges	225,383	-	-	1,585	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,200	42,844	11,000	3,797	312,190	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	70,106	9,730	-	540	-	619	2,271
Total disbursements	551,810	93,140	11,000	21,013	312,190	619	2,271
Excess (deficiency) of receipts over disbursements	67,694	(31,602)	(2,135)	(1,482)	-	2,942	-
Cash and investments - ending	\$ 413,770	\$ 113,892	\$ 54,366	\$ 16,315	\$ -	\$ 5,947	\$ -

TOWN OF NORTH JUDSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Oca Grant Cso Project	Rainy Day	Cops Grant	Levy Excess	Remc Operation Round-Up	Police Public Donation
Cash and investments - beginning	\$ -	\$ 49,010	\$ -	\$ 18,226	\$ -	\$ 80
Receipts:						
Taxes	-	7,841	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	141,605	747	8,300	-	1,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	10	31,171	-	-	-	310
Total receipts	141,615	39,759	8,300	-	1,000	310
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	128,732	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	8,300	18,226	1,000	-
Total disbursements	128,732	-	8,300	18,226	1,000	-
Excess (deficiency) of receipts over disbursements	12,883	39,759	-	(18,226)	-	310
Cash and investments - ending	\$ 12,883	\$ 88,769	\$ -	\$ -	\$ -	\$ 390

TOWN OF NORTH JUDSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Cumulative Capital Development	Edit	Cumulative Capital Improvement	Firehouse	Rr Capital Improve/Maint	Self-Insurance
Cash and investments - beginning	\$ 54,857	\$ 148,731	\$ 15,425	\$ -	\$ 34,493	\$ 6
Receipts:						
Taxes	6,450	68,751	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	878	22,917	5,137	-	-	-
Charges for services	-	-	-	-	37,145	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	43,534	-	901	-	2
Total receipts	<u>7,328</u>	<u>135,202</u>	<u>5,137</u>	<u>901</u>	<u>37,145</u>	<u>2</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	10,000	-	11,103	901	7,790	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	8,750	147,726	230	-	-	8
Total disbursements	<u>18,750</u>	<u>147,726</u>	<u>11,333</u>	<u>901</u>	<u>7,790</u>	<u>8</u>
Excess (deficiency) of receipts over disbursements	<u>(11,422)</u>	<u>(12,524)</u>	<u>(6,196)</u>	<u>-</u>	<u>29,355</u>	<u>(6)</u>
Cash and investments - ending	<u>\$ 43,435</u>	<u>\$ 136,207</u>	<u>\$ 9,229</u>	<u>\$ -</u>	<u>\$ 63,848</u>	<u>\$ -</u>

TOWN OF NORTH JUDSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Payroll	Utility Clearance	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Customer Deposit	Wastewater Utility-Debt Reserve
Cash and investments - beginning	\$ (1,465)	\$ 92	\$ 193,496	\$ 38,707	\$ 13,640	\$ 215,080
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	478,904	-	-	-
Other receipts	515,001	785,578	574,127	195,102	4,725	44,217
Total receipts	<u>515,001</u>	<u>785,578</u>	<u>1,053,031</u>	<u>195,102</u>	<u>4,725</u>	<u>44,217</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	124,178	-	31,031
Capital outlay	-	-	351,158	-	-	-
Utility operating expenses	-	-	271,940	-	2,950	-
Other disbursements	513,536	785,661	459,692	-	-	15,145
Total disbursements	<u>513,536</u>	<u>785,661</u>	<u>1,082,790</u>	<u>124,178</u>	<u>2,950</u>	<u>46,176</u>
Excess (deficiency) of receipts over disbursements	<u>1,465</u>	<u>(83)</u>	<u>(29,759)</u>	<u>70,924</u>	<u>1,775</u>	<u>(1,959)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 163,737</u>	<u>\$ 109,631</u>	<u>\$ 15,415</u>	<u>\$ 213,121</u>

TOWN OF NORTH JUDSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility Depreciation/ Improvement	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 58,274	\$ 9,858	\$ 112,977	\$ 40,283	\$ 33,268	\$ 1,603,911
Receipts:						
Taxes	-	-	-	-	-	440,177
Licenses and permits	-	-	-	-	-	2,556
Intergovernmental	-	-	-	-	-	661,178
Charges for services	-	-	-	-	-	162,413
Fines and forfeits	-	-	-	-	-	4,521
Utility fees	259,825	-	-	-	-	738,729
Other receipts	67,146	29,390	22,564	7,650	-	2,378,814
Total receipts	<u>326,971</u>	<u>29,390</u>	<u>22,564</u>	<u>7,650</u>	<u>-</u>	<u>4,388,388</u>
Disbursements:						
Personal services	-	-	-	-	-	269,597
Supplies	-	-	-	-	-	38,181
Other services and charges	-	-	-	-	-	226,968
Debt service - principal and interest	-	29,608	-	-	-	184,817
Capital outlay	4,535	-	-	-	-	888,250
Utility operating expenses	215,591	-	-	6,471	-	496,952
Other disbursements	111,954	-	-	-	-	2,153,494
Total disbursements	<u>332,080</u>	<u>29,608</u>	<u>-</u>	<u>6,471</u>	<u>-</u>	<u>4,258,259</u>
Excess (deficiency) of receipts over disbursements	<u>(5,109)</u>	<u>(218)</u>	<u>22,564</u>	<u>1,179</u>	<u>-</u>	<u>130,129</u>
Cash and investments - ending	<u>\$ 53,165</u>	<u>\$ 9,640</u>	<u>\$ 135,541</u>	<u>\$ 41,462</u>	<u>\$ 33,268</u>	<u>\$ 1,734,040</u>

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

	General	Motor Vehicle Highway	Local Road and Street	Law Enforcement Continuation Education	Unsafe Building	Park	Ocra Grant Cso Project
Cash and investments - beginning	\$ 413,770	\$ 113,892	\$ 54,366	\$ 5,947	\$ -	\$ 16,315	\$ 12,883
Receipts:							
Taxes	391,045	34,473	-	-	-	19,910	-
Licenses and permits	5,734	-	-	-	-	-	-
Intergovernmental	105,020	48,364	9,072	-	-	2,635	120,144
Charges for services	145,847	600	-	1,572	-	1,900	-
Fines and forfeits	5,174	-	-	76	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	514,488	87,028	60,979	3,735	7,962	16,609	79
Total receipts	1,167,308	170,465	70,051	5,383	7,962	41,054	120,223
Disbursements:							
Personal services	235,642	23,563	-	-	-	13,522	-
Supplies	35,949	24,158	-	-	-	3,274	-
Other services and charges	260,728	-	-	-	-	2,173	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	11,920	50,394	11,418	-	-	631	133,106
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	520,094	100,967	60,979	8,252	4,806	16,609	-
Total disbursements	1,064,333	199,082	72,397	8,252	4,806	36,209	133,106
Excess (deficiency) of receipts over disbursements	102,975	(28,617)	(2,346)	(2,869)	3,156	4,845	(12,883)
Cash and investments - ending	\$ 516,745	\$ 85,275	\$ 52,020	\$ 3,078	\$ 3,156	\$ 21,160	\$ -

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

	Ode Lighting Grant	Rainy Day	Levy Excess	Police Public Donation	Cumulative Capital Development	Edit	Cumulative Capital Improvement
Cash and investments - beginning	\$ -	\$ 88,769	\$ -	\$ 390	\$ 43,435	\$ 136,207	\$ 9,229
Receipts:							
Taxes	-	10,855	948	-	7,117	98,418	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,000	3,464	-	-	948	-	4,904
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	179,644	948	590	48,280	205,610	8,273
Total receipts	4,000	193,963	1,896	590	56,345	304,028	13,177
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	49,925	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,000	-	-	-	9,396	-	9,685
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	141,366	948	490	48,280	247,554	10,170
Total disbursements	4,000	141,366	948	490	57,676	297,479	19,855
Excess (deficiency) of receipts over disbursements	-	52,597	948	100	(1,331)	6,549	(6,678)
Cash and investments - ending	\$ -	\$ 141,366	\$ 948	\$ 490	\$ 42,104	\$ 142,756	\$ 2,551

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

	Rr Capital Improve/Maint	Payroll	Utility Clearance	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Customer Deposit	Wastewater Utility-Debt Reserve
Cash and investments - beginning	\$ 63,848	\$ -	\$ 9	\$ 163,737	\$ 109,631	\$ 15,415	\$ 213,121
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	42,620	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	488,022	-	-	-
Other receipts	214	521,941	866,841	15,328	208,524	5,775	44,217
Total receipts	42,834	521,941	866,841	503,350	208,524	5,775	44,217
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	206,024	-	41,374
Capital outlay	49,861	-	-	2,764	-	-	-
Utility operating expenses	-	-	-	285,456	-	2,850	-
Other disbursements	32	521,142	866,850	243,573	-	-	-
Total disbursements	49,893	521,142	866,850	531,793	206,024	2,850	41,374
Excess (deficiency) of receipts over disbursements	(7,059)	799	(9)	(28,443)	2,500	2,925	2,843
Cash and investments - ending	\$ 56,789	\$ 799	\$ -	\$ 135,294	\$ 112,131	\$ 18,340	\$ 215,964

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

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility Depreciation/ Improvement	Water Utility-Customer Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 53,165	\$ 9,640	\$ 135,541	\$ 41,462	\$ 33,268	\$ 1,734,040
Receipts:						
Taxes	-	-	-	-	-	562,766
Licenses and permits	-	-	-	-	-	5,734
Intergovernmental	-	-	-	-	-	298,551
Charges for services	-	-	-	-	-	192,539
Fines and forfeits	-	-	-	-	-	5,250
Utility fees	271,463	-	-	-	-	759,485
Other receipts	10,139	30,370	22,509	8,575	-	2,868,658
<b>Total receipts</b>	<b>281,602</b>	<b>30,370</b>	<b>22,509</b>	<b>8,575</b>	<b>-</b>	<b>4,692,983</b>
Disbursements:						
Personal services	-	-	-	-	-	272,727
Supplies	-	-	-	-	-	113,306
Other services and charges	-	-	-	-	-	262,901
Debt service - principal and interest	-	28,915	-	-	-	276,313
Capital outlay	7,917	-	56,961	-	-	348,053
Utility operating expenses	227,259	-	-	6,475	-	522,040
Other disbursements	52,878	-	-	-	-	2,844,990
<b>Total disbursements</b>	<b>288,054</b>	<b>28,915</b>	<b>56,961</b>	<b>6,475</b>	<b>-</b>	<b>4,640,330</b>
Excess (deficiency) of receipts over disbursements	(6,452)	1,455	(34,452)	2,100	-	52,653
Cash and investments - ending	<u>\$ 46,713</u>	<u>\$ 11,095</u>	<u>\$ 101,089</u>	<u>\$ 43,562</u>	<u>\$ 33,268</u>	<u>\$ 1,786,693</u>

TOWN OF NORTH JUDSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 621,013
Infrastructure	668,061
Buildings	752,124
Improvements other than buildings	1,621,366
Machinery and equipment	<u>1,272,325</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 4,934,889</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 216
Buildings	474,000
Improvements other than buildings	3,041,239
Machinery and equipment	<u>217,499</u>
 Total Water Utility capital assets	 <u>3,732,954</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	36,359
Buildings	2,220,000
Improvements other than buildings	2,108,190
Machinery and equipment	<u>304,655</u>
 Total Wastewater Utility capital assets	 <u>4,669,204</u>
 Total business-type activities, capital assets not being depreciated	 <u>\$ 8,402,158</u>

TOWN OF NORTH JUDSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable		
Police Car	\$ 17,755	\$ 5,714
Business-type Activities:		
Water Utility		
Revenue bonds:		
Refunding Bonds of 2008	\$ 305,000	\$ 33,268
Wastewater Utility		
Notes and loans payable:		
Jet/Vac	289,740	41,372
Revenue bonds:		
Refunding Bonds of 2008	2,035,000	205,912
Total Wastewater Utility	2,324,740	247,284
Total business-type activities debt	\$ 2,629,740	\$ 280,552

TOWN OF NORTH JUDSON  
EXAMINATION RESULT(S) AND COMMENT(S)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$770.00 were paid to the Indiana Department of Revenue on December 29, 2009, for late payment of Utility Receipts Tax for the period of 2009. Of this amount \$201.93 was refunded by the Indiana Department of Revenue on March 3, 2010, for a net payment of \$568.07.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK BEAUTIFICATION FUND

Park Board meeting minutes show that the Park Board accepted \$2,249 in donations and a grant for the Park Beautification Fund. Town financial records do not show these monies posted as receipts. The Park Board President explained to us that the Board feels the Park Beautification Fund is not a Fund of the Park or the Town. The Park Department would not provide Park Beautification Fund financial records for our audit.

The Park Board October 22, 2009 meeting minutes show that Fun Day revenue was approximately \$2,300 which is down considerably from previous years. The Town Clerk-Treasurer explained to us that the Fun Day revenue is not given to her to post to the Town financial records. No Fun Day financial data was provided for our audit.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NORTH JUDSON  
EXAMINATION RESULT(S) AND COMMENT(S)  
(Continued)

SALES TAX

Sales tax was paid on some purchases. In our sample test, we found three instances where the Clerk-Treasurer purchased items to later be reimbursed by the Town and the purchases included \$57 sales tax.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

During 2009 and 2010, the Town disbursed \$147,726 and \$139,212, respectively, from the EDIT Fund without appropriations authorizing the disbursements.

Appropriation requirements city-town funds: Economic Development Income Tax (EDIT): DLGF - no, City/Town Council - yes, I/C Reference - 6-3.5-7. (Cities and Towns Bulletins and Uniform Compliance Guidelines Issued By State Board of Accounts, December 2004)

CUSTOMER DEPOSIT REGISTERS

The detailed customer deposit registers for water and wastewater had not been reconciled with the customer deposit funds in recent years. A similar comment was included in the prior Report B35008.

During our examination, the Clerk-Treasurer totaled the customer deposit registers at July 31, 2011, and compared the register balances to the fund cash balances. The water fund cash balance exceeded the deposit register by \$1,402 and the wastewater deposit register exceeded the fund cash balance by \$175. The Clerk-Treasurer indicated that she would prepare the reconcilements monthly in the future.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NORTH JUDSON  
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2011, with Connie Miller, Clerk-Treasurer, and with Dan Anderson, President of the Town Council. The officials concurred with our findings.