

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

EXAMINATION REPORT
OF
TOWN OF COATESVILLE
HENDRICKS COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
09/12/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ronald Slover	01-01-08 to 12-31-11
President of the Town Council	Willard L. Steagall	01-01-09 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF COATESVILLE, HENDRICKS COUNTY, INDIANA

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

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

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

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis 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 statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management and 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 3, 2011

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FINANCIAL STATEMENTS

TOWN OF COATESVILLE
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	\$ 23,473	\$ 166,130	\$ 134,116	\$ 55,487
MVH	42,226	31,189	58,955	14,460
Local Road And Street	859	6,952	6,763	1,048
Cemetery	4,957	14,800	15,220	4,537
Officers Training	973	25	-	998
Community Building Grant	324	-	-	324
Edit Funds	21,076	15,448	13,755	22,769
Rainy Day Fund	16,573	7,723	-	24,296
Cum Capital Improvement	13,555	1,583	-	15,138
Electric Operating	163,769	419,537	420,363	162,943
Electric Depreciating	71,385	20,977	16,066	76,296
Guarantee Meter Deposit	13,791	5,063	941	17,913
Cash Reserve Fund	5,338	375	5,000	713
	<u>\$ 378,299</u>	<u>\$ 689,802</u>	<u>\$ 671,179</u>	<u>\$ 396,922</u>

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

TOWN OF COATESVILLE
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 Fund	\$ 55,487	\$ 168,589	\$ 154,387	\$ 69,689
Motor Vehicle Fund	14,460	27,095	9,824	31,731
Local Road And Street	1,048	7,243	2,841	5,450
Cemetery Fund	4,537	3,751	4,599	3,689
Edit Funds	22,769	14,446	14,070	23,145
Community Building Grant	324	533,354	529,181	4,497
Community Building Rental	-	500	264	236
Rainy Day Fund	24,296	7,810	23,974	8,132
Levy Excess Fund	-	226	-	226
Officers Training	998	100	-	1,098
Cumulative Capital Improvement	15,138	1,510	14,966	1,682
Electric Operating	162,943	438,156	430,738	170,361
Electric Depreciation	76,296	19,811	23,471	72,636
Meter Deposit	17,913	4,329	3,978	18,264
Cash Reserve	713	276	-	989
Escrow	-	24,209	-	24,209
	<u>\$ 396,922</u>	<u>\$ 1,251,405</u>	<u>\$ 1,212,293</u>	<u>\$ 436,034</u>

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

TOWN OF COATESVILLE
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statements present 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), wheel 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.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

License and permits which includes 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 license 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 COATESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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 help as performance guarantees (forfeitures).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

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 which includes 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 includes 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.

TOWN OF COATESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Debt service principle and interest which includes 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 includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

TOWN OF COATESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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% 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 were 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 statute (IC 5-13-9) authorizes 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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	General	Mvh	Local Road And Street	Cemetery	Officers Training	Community Building Grant	Edit Funds
Cash and investments - beginning	\$ 23,473	\$ 42,226	\$ 859	\$ 4,957	\$ 973	\$ 324	\$ 21,076
Receipts:							
Taxes	110,054	-	-	-	-	-	-
Licenses and permits	-	-	-	-	25	-	-
Intergovernmental	53,529	31,189	6,952	-	-	-	15,372
Charges for services	-	-	-	9,250	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	<u>2,547</u>	<u>-</u>	<u>-</u>	<u>5,550</u>	<u>-</u>	<u>-</u>	<u>76</u>
Total receipts	<u>166,130</u>	<u>31,189</u>	<u>6,952</u>	<u>14,800</u>	<u>25</u>	<u>-</u>	<u>15,448</u>
Disbursements:							
Personal services	78,275	-	-	-	-	-	-
Supplies	2,915	-	-	-	-	-	-
Other services and charges	52,926	58,955	6,763	15,220	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	13,378
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377</u>
Total disbursements	<u>134,116</u>	<u>58,955</u>	<u>6,763</u>	<u>15,220</u>	<u>-</u>	<u>-</u>	<u>13,755</u>
Excess (deficiency) of receipts over disbursements	<u>32,014</u>	<u>(27,766)</u>	<u>189</u>	<u>(420)</u>	<u>25</u>	<u>-</u>	<u>1,693</u>
Cash and investments - ending	<u>\$ 55,487</u>	<u>\$ 14,460</u>	<u>\$ 1,048</u>	<u>\$ 4,537</u>	<u>\$ 998</u>	<u>\$ 324</u>	<u>\$ 22,769</u>

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

	Rainy Day Fund	Cum Capital Improvement	Electric Operating	Electric Depreciating	Guarantee Meter Deposit	Cash Reserve Fund	Totals
Cash and investments - beginning	\$ 16,573	\$ 13,555	\$ 163,769	\$ 71,385	\$ 13,791	\$ 5,338	\$ 378,299
Receipts:							
Taxes	-	-	-	-	-	-	110,054
Licenses and permits	-	-	-	-	-	-	25
Intergovernmental	7,723	1,583	-	-	-	-	116,348
Charges for services	-	-	-	-	-	-	9,250
Utility fees	-	-	386,493	-	-	-	386,493
Penalties	-	-	3,949	-	-	-	3,949
Other receipts	-	-	29,095	20,977	5,063	375	63,683
Total receipts	<u>7,723</u>	<u>1,583</u>	<u>419,537</u>	<u>20,977</u>	<u>5,063</u>	<u>375</u>	<u>689,802</u>
Disbursements:							
Personal services	-	-	-	-	-	-	78,275
Supplies	-	-	-	-	-	-	2,915
Other services and charges	-	-	-	-	-	-	133,864
Debt service - principal and interest	-	-	-	-	-	-	13,378
Capital outlay	-	-	-	16,066	-	5,000	21,066
Utility operating expenses	-	-	342,643	-	941	-	343,584
Other disbursements	-	-	77,720	-	-	-	78,097
Total disbursements	<u>-</u>	<u>-</u>	<u>420,363</u>	<u>16,066</u>	<u>941</u>	<u>5,000</u>	<u>671,179</u>
Excess (deficiency) of receipts over disbursements	<u>7,723</u>	<u>1,583</u>	<u>(826)</u>	<u>4,911</u>	<u>4,122</u>	<u>(4,625)</u>	<u>18,623</u>
Cash and investments - ending	<u>\$ 24,296</u>	<u>\$ 15,138</u>	<u>\$ 162,943</u>	<u>\$ 76,296</u>	<u>\$ 17,913</u>	<u>\$ 713</u>	<u>\$ 396,922</u>

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

	General Fund	Motor Vehicle Fund	Local Road And Street	Cemetery Fund	Edit Funds	Community Building Grant
Cash and investments - beginning	\$ 55,487	\$ 14,460	\$ 1,048	\$ 4,537	\$ 22,769	\$ 324
Receipts:						
Taxes	99,869	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	64,689	27,095	7,243	-	14,378	482,953
Charges for services	-	-	-	3,751	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	4,031	-	-	-	68	50,401
Total receipts	<u>168,589</u>	<u>27,095</u>	<u>7,243</u>	<u>3,751</u>	<u>14,446</u>	<u>533,354</u>
Disbursements:						
Personal services	79,614	-	-	108	-	-
Supplies	3,890	-	-	-	-	-
Other services and charges	64,673	9,824	2,841	4,491	620	-
Debt service - principal and interest	-	-	-	-	13,130	-
Capital outlay	6,210	-	-	-	-	529,181
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	320	-
Total disbursements	<u>154,387</u>	<u>9,824</u>	<u>2,841</u>	<u>4,599</u>	<u>14,070</u>	<u>529,181</u>
Excess (deficiency) of receipts over disbursements	<u>14,202</u>	<u>17,271</u>	<u>4,402</u>	<u>(848)</u>	<u>376</u>	<u>4,173</u>
Cash and investments - ending	<u>\$ 69,689</u>	<u>\$ 31,731</u>	<u>\$ 5,450</u>	<u>\$ 3,689</u>	<u>\$ 23,145</u>	<u>\$ 4,497</u>

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

	Community Building Rental	Rainy Day Fund	Levy Excess Fund	Officers Training	Cumulative Capital Improvement	Electric Operating
Cash and investments - beginning	\$ -	\$ 24,296	\$ -	\$ 998	\$ 15,138	\$ 162,943
Receipts:						
Taxes	-	-	226	-	-	-
Licenses and permits	-	-	-	60	-	-
Intergovernmental	-	7,810	-	-	1,510	6,000
Charges for services	500	-	-	12	-	-
Fines and forfeits	-	-	-	28	-	-
Utility fees	-	-	-	-	-	425,508
Penalties	-	-	-	-	-	4,551
Other receipts	-	-	-	-	-	2,097
Total receipts	<u>500</u>	<u>7,810</u>	<u>226</u>	<u>100</u>	<u>1,510</u>	<u>438,156</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	264	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	23,974	-	-	14,966	-
Utility operating expenses	-	-	-	-	-	102,245
Other disbursements	-	-	-	-	-	328,493
Total disbursements	<u>264</u>	<u>23,974</u>	<u>-</u>	<u>-</u>	<u>14,966</u>	<u>430,738</u>
Excess (deficiency) of receipts over disbursements	<u>236</u>	<u>(16,164)</u>	<u>226</u>	<u>100</u>	<u>(13,456)</u>	<u>7,418</u>
Cash and investments - ending	<u>\$ 236</u>	<u>\$ 8,132</u>	<u>\$ 226</u>	<u>\$ 1,098</u>	<u>\$ 1,682</u>	<u>\$ 170,361</u>

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

	Electric Depreciation	Meter Deposit	Cash Reserve	Escrow	Totals
Cash and investments - beginning	\$ 76,296	\$ 17,913	\$ 713	\$ -	\$ 396,922
Receipts:					
Taxes	-	-	-	-	100,095
Licenses and permits	-	-	-	-	60
Intergovernmental	-	-	-	-	611,678
Charges for services	-	-	-	-	4,263
Fines and forfeits	-	-	-	-	28
Utility fees	-	-	-	-	425,508
Penalties	-	-	-	-	4,551
Other receipts	19,811	4,329	276	24,209	105,222
Total receipts	19,811	4,329	276	24,209	1,251,405
Disbursements:					
Personal services	-	-	-	-	79,722
Supplies	-	-	-	-	3,890
Other services and charges	-	-	-	-	82,713
Debt service - principal and interest	-	-	-	-	13,130
Capital outlay	-	-	-	-	574,331
Utility operating expenses	-	-	-	-	102,245
Other disbursements	23,471	3,978	-	-	356,262
Total disbursements	23,471	3,978	-	-	1,212,293
Excess (deficiency) of receipts over disbursements	(3,660)	351	276	24,209	39,112
Cash and investments - ending	\$ 72,636	\$ 18,264	\$ 989	\$ 24,209	\$ 436,034

TOWN OF COATESVILLE
 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
Town Debt:		
Capital leases:		
Fire Station	\$ 162,648	\$ 13,450

TOWN OF COATESVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2011, with Ronald Slover, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.