

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

EXAMINATION REPORT
OF
TOWN OF MIDDLEBURY
ELKHART COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
09/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sally A. Nusbaum	01-01-08 to 12-31-11
President of the Town Council	Gary L. O'Dell	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 MIDDLEBURY, ELKHART COUNTY, INDIANA

We have examined the financial statements of the Town of Middlebury (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 16, 2011

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FINANCIAL STATEMENTS

TOWN OR MIDDLEBURY
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	\$ 479,370	\$ 1,507,231	\$ 1,199,863	\$ 786,738
MVH Street Fund	164,004	803,281	604,418	362,867
Local Road And Street	13,561	30,242	22,189	21,614
Cemetery	55,007	24,439	19,659	59,787
Park Non-Reverting Operating	19,754	5,399	3,770	21,383
Criminal Justice Enforcement O.P.O	1,074	-	1,074	-
Law Enforcement Continuing Ed	52,513	27,251	19,827	59,937
Riverboat Non-Reverting	71,503	19,408	4,868	86,043
Grants From Other Governments	542	1,804	2,297	49
Rainy Day	110,552	80,479	-	191,031
Levy Excess	366	-	-	366
Major Moves Constr/N-R	517,074	12,471	-	529,545
MVH N-R Wheel Tax	1,519	61,571	-	63,090
Debt Service Fund	(6,649)	290,696	189,289	94,758
Cumulative Capital Development	410,538	163,088	157,385	416,241
Park Non-Reverting Capital	66,517	6,139	-	72,656
Industrial Development	67,986	100,474	50,000	118,460
General Improvement	123,480	2,652	-	126,132
Cumulative Capital Improvement	57,980	9,064	-	67,044
CEDIT	669,708	269,279	210,212	728,775
Park And Recreation	49,059	273,823	216,701	106,181
Cemetery Endowment	58,237	1,721	-	59,958
Payroll	409	1,218,256	1,218,665	-
Sewer Operating Cash	112,800	974,640	974,640	112,800
Sewer Bond & Interest Cash	97,056	97,932	95,126	99,862
Sewer Depreciation Cash	942,332	382,953	609,619	715,666
TIF Meijer Bond Int Cash	39,151	585,729	349,688	275,192
TIF Jayco Bond Int Cash	52,532	240,522	141,065	151,989
Sewer Reserve Cash	460,519	-	-	460,519
Water Operating Cash	100,000	1,061,846	1,000,663	161,183
Water Bond & Interest	211,700	424,576	636,276	-
Water Depreciation Cash	548,544	201,935	333,894	416,585
Water SRF Debt Service Reserve Cash	201,901	84,540	-	286,441
Totals	<u>\$ 5,750,639</u>	<u>\$ 8,963,441</u>	<u>\$ 8,061,188</u>	<u>\$ 6,652,892</u>

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

TOWN OF MIDDLEBURY
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	\$ 786,738	\$ 1,364,542	\$ 1,303,227	\$ 848,053
MVH Street Fund	362,867	506,789	530,111	339,545
Local Road And Street	21,614	33,250	25,945	28,919
Cemetery	59,787	26,221	27,049	58,959
Park N-R Operating	21,383	10,412	6,747	25,048
Law Enforcement Continuing Ed	59,937	7,185	21,281	45,841
Riverboat N-R	86,043	19,564	-	105,607
Grants From Other Governments	49	-	-	49
Rainy Day	191,031	183,364	-	374,395
Levy Excess	366	4,430	-	4,796
Major Moves Construction N-R Fund	529,545	7,979	-	537,524
MVH N-R Wheel Tax	63,090	65,941	-	129,031
Debt Service Fund	94,758	173,493	194,425	73,826
Cumulative Capital Development	416,241	107,346	159,743	363,844
Park Non-Reverting Capital	72,656	63,453	73,178	62,931
Redevelopment Commission TIF	-	14,868	9,971	4,897
Industrial Development	118,460	254	-	118,714
General Improvement	126,132	1,501	-	127,633
Cumulative Capital Improvement	67,044	8,655	5,000	70,699
CEDIT	728,775	154,953	183,500	700,228
Park And Recreation	106,181	152,719	133,913	124,987
Cemetery Endowment	59,958	1,431	-	61,389
Payroll	-	1,238,156	1,237,877	279
Sewer Operating Cash	112,800	1,005,155	962,899	155,056
Sewer Bond-Interest Cash	99,862	95,624	98,744	96,742
Sewer Depreciation Cash	715,666	130,320	279,236	566,750
TIF Meijer Bond Int Cash	275,192	1,415,366	208,088	1,482,470
TIF Jayco Bond Int Cash	151,989	334,270	104,565	381,694
Sewer Reserve Cash	460,519	-	-	460,519
Water Operating Cash	161,183	1,045,248	1,098,529	107,902
Water Bond And Interest	-	424,514	212,353	212,161
Water Depreciation Cash	416,585	168,422	219,313	365,694
Water SRF Debt Service Reserve Cash	286,441	88,892	-	375,333
Totals	<u>\$ 6,652,892</u>	<u>\$ 8,854,317</u>	<u>\$ 7,095,694</u>	<u>\$ 8,411,515</u>

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

TOWN OF MIDDLEBURY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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), 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 MIDDLEBURY
NOTES TO FINANCIAL STATEMENTS
(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 MIDDLEBURY
NOTES TO FINANCIAL STATEMENTS
(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 MIDDLEBURY
NOTES TO FINANCIAL STATEMENTS
(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*

401(a) Retirement Plan

Plan Description

The Town has a 401(a) Retirement Plan which is a defined contribution pension plan administered by Nationwide Life Insurance Company. The plan provides retirement benefits to plan members and beneficiaries. The plan was established by written agreement between the Town and Nationwide Life Insurance Company. The Company issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

Nationwide Retirement Solutions
One Nationwide Plaza Dept. 0888
Columbus, OH 43271-0888
Ph. 1-800-321-7467

Funding Policy

The contribution requirements of plan members for the 401(a) Retirement Plan are established by Resolution 97-19.

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

	General	MVH Street Fund	Local Road And Street	Cemetery	Park Non-Reverting Operating	Criminal Justice Enforcement O.P.O
Cash and investments - beginning	\$ 479,370	\$ 164,004	\$ 13,561	\$ 55,007	\$ 19,754	\$ 1,074
Receipts:						
Taxes	972,520	608,269	-	6,369	-	-
Licenses and permits	260	-	-	-	-	-
Intergovernmental	501,499	89,587	30,242	88	-	-
Charges for services	-	-	-	17,982	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	32,952	105,425	-	-	5,399	-
Total receipts	<u>1,507,231</u>	<u>803,281</u>	<u>30,242</u>	<u>24,439</u>	<u>5,399</u>	<u>-</u>
Disbursements:						
Personal services	675,592	307,891	-	12,687	-	455
Supplies	7,264	31,143	-	686	-	-
Other services and charges	503,609	59,139	22,189	4,582	3,770	619
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	13,398	6,245	-	1,704	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	200,000	-	-	-	-
Total disbursements	<u>1,199,863</u>	<u>604,418</u>	<u>22,189</u>	<u>19,659</u>	<u>3,770</u>	<u>1,074</u>
Excess (deficiency) of receipts over disbursements	<u>307,368</u>	<u>198,863</u>	<u>8,053</u>	<u>4,780</u>	<u>1,629</u>	<u>(1,074)</u>
Cash and investments - ending	<u>\$ 786,738</u>	<u>\$ 362,867</u>	<u>\$ 21,614</u>	<u>\$ 59,787</u>	<u>\$ 21,383</u>	<u>\$ -</u>

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

	Law Enforcement Continuing Ed	Riverboat Non-Reverting	Grants From Other Governments	Rainy Day	Levy Excess	Major Moves Constr/N-R
Cash and investments - beginning	\$ 52,513	\$ 71,503	\$ 542	\$ 110,552	\$ 366	\$ 517,074
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	2,245	-	-	-	-	-
Intergovernmental	23,155	18,499	1,639	27,518	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	400	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,451	909	165	52,961	-	12,471
Total receipts	<u>27,251</u>	<u>19,408</u>	<u>1,804</u>	<u>80,479</u>	<u>-</u>	<u>12,471</u>
Disbursements:						
Personal services	-	4,703	2,297	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	19,827	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	165	-	-	-	-
Total disbursements	<u>19,827</u>	<u>4,868</u>	<u>2,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,424</u>	<u>14,540</u>	<u>(493)</u>	<u>80,479</u>	<u>-</u>	<u>12,471</u>
Cash and investments - ending	<u>\$ 59,937</u>	<u>\$ 86,043</u>	<u>\$ 49</u>	<u>\$ 191,031</u>	<u>\$ 366</u>	<u>\$ 529,545</u>

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

	MVH N-R Wheel Tax	Debt Service Fund	Cumulative Capital Development	Park Non-Reverting Capital	Industrial Development	General Improvement
Cash and investments - beginning	\$ 1,519	\$ (6,649)	\$ 410,538	\$ 66,517	\$ 67,986	\$ 123,480
Receipts:						
Taxes	-	286,911	161,038	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	61,571	3,785	2,050	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	6,139	100,474	2,652
Total receipts	<u>61,571</u>	<u>290,696</u>	<u>163,088</u>	<u>6,139</u>	<u>100,474</u>	<u>2,652</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	189,289	-	-	-	-
Capital outlay	-	-	107,385	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	50,000	-	50,000	-
Total disbursements	<u>-</u>	<u>189,289</u>	<u>157,385</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>61,571</u>	<u>101,407</u>	<u>5,703</u>	<u>6,139</u>	<u>50,474</u>	<u>2,652</u>
Cash and investments - ending	<u>\$ 63,090</u>	<u>\$ 94,758</u>	<u>\$ 416,241</u>	<u>\$ 72,656</u>	<u>\$ 118,460</u>	<u>\$ 126,132</u>

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

	Cumulative Capital Improvement	CEDIT	Park And Recreation	Cemetery Endowment	Payroll	Sewer Operating Cash
Cash and investments - beginning	\$ 57,980	\$ 669,708	\$ 49,059	\$ 58,237	\$ 409	\$ 112,800
Receipts:						
Taxes	-	-	220,853	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	9,064	168,880	2,968	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	891,358
Penalties	-	-	-	-	-	10,277
Other receipts	-	100,399	50,002	1,721	1,218,256	73,005
Total receipts	<u>9,064</u>	<u>269,279</u>	<u>273,823</u>	<u>1,721</u>	<u>1,218,256</u>	<u>974,640</u>
Disbursements:						
Personal services	-	-	76,023	-	-	-
Supplies	-	-	3,903	-	-	-
Other services and charges	-	-	21,601	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	110,212	10,174	-	-	96,939
Utility operating expenses	-	-	-	-	-	703,939
Other disbursements	-	100,000	105,000	-	1,218,665	173,762
Total disbursements	<u>-</u>	<u>210,212</u>	<u>216,701</u>	<u>-</u>	<u>1,218,665</u>	<u>974,640</u>
Excess (deficiency) of receipts over disbursements	<u>9,064</u>	<u>59,067</u>	<u>57,122</u>	<u>1,721</u>	<u>(409)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 67,044</u>	<u>\$ 728,775</u>	<u>\$ 106,181</u>	<u>\$ 59,958</u>	<u>\$ -</u>	<u>\$ 112,800</u>

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

	Sewer Bond & Interest Cash	Sewer Depreciation Cash	TIF Meijer Bond Int Cash	TIF Jayco Bond Int Cash	Sewer Reserve Cash
Cash and investments - beginning	\$ 97,056	\$ 942,332	\$ 39,151	\$ 52,532	\$ 460,519
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	445,729	205,521	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	97,932	382,953	140,000	35,001	-
Total receipts	<u>97,932</u>	<u>382,953</u>	<u>585,729</u>	<u>240,522</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	95,098	-	207,938	35,315	-
Capital outlay	-	558,899	-	-	-
Utility operating expenses	-	-	1,750	36,750	-
Other disbursements	28	50,720	140,000	69,000	-
Total disbursements	<u>95,126</u>	<u>609,619</u>	<u>349,688</u>	<u>141,065</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,806</u>	<u>(226,666)</u>	<u>236,041</u>	<u>99,457</u>	<u>-</u>
Cash and investments - ending	<u>\$ 99,862</u>	<u>\$ 715,666</u>	<u>\$ 275,192</u>	<u>\$ 151,989</u>	<u>\$ 460,519</u>

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

	Water Operating Cash	Water Bond & Interest	Water Depreciation Cash	Water SRF Debt Service Reserve Cash	Totals
Cash and investments - beginning	\$ 100,000	\$ 211,700	\$ 548,544	\$ 201,901	\$ 5,750,639
Receipts:					
Taxes	-	-	-	-	2,255,960
Licenses and permits	-	-	-	-	2,505
Intergovernmental	-	-	-	-	1,591,795
Charges for services	-	-	-	-	17,982
Fines and forfeits	-	-	-	-	400
Utility fees	1,021,985	-	72,331	-	1,985,674
Penalties	2,406	-	-	-	12,683
Other receipts	37,455	424,576	129,604	84,540	3,096,442
Total receipts	1,061,846	424,576	201,935	84,540	8,963,441
Disbursements:					
Personal services	-	-	-	-	1,079,648
Supplies	-	-	-	-	42,996
Other services and charges	-	-	-	-	635,336
Debt service - principal and interest	-	636,276	-	-	1,163,916
Capital outlay	111,985	-	35,385	-	1,052,326
Utility operating expenses	413,781	-	-	-	1,156,220
Other disbursements	474,897	-	298,509	-	2,930,746
Total disbursements	1,000,663	636,276	333,894	-	8,061,188
Excess (deficiency) of receipts over disbursements	61,183	(211,700)	(131,959)	84,540	902,253
Cash and investments - ending	\$ 161,183	\$ -	\$ 416,585	\$ 286,441	\$ 6,652,892

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

	General	MVH Street Fund	Local Road And Street	Cemetery	Park N-R Operating	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 786,738	\$ 362,867	\$ 21,614	\$ 59,787	\$ 21,383	\$ 59,937
Receipts:						
Taxes	744,517	415,465	-	4,569	-	-
Licenses and permits	1,552	-	-	-	-	2,405
Intergovernmental	477,668	86,300	33,250	92	-	2,153
Charges for services	381	-	-	21,560	-	-
Fines and forfeits	-	-	-	-	-	388
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	140,424	5,024	-	-	10,412	2,239
Total receipts	<u>1,364,542</u>	<u>506,789</u>	<u>33,250</u>	<u>26,221</u>	<u>10,412</u>	<u>7,185</u>
Disbursements:						
Personal services	666,390	296,910	-	12,407	-	-
Supplies	42,103	44,791	-	1,259	-	-
Other services and charges	475,680	174,829	25,945	1,989	6,747	21,281
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	6,754	13,581	-	11,394	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	112,300	-	-	-	-	-
Total disbursements	<u>1,303,227</u>	<u>530,111</u>	<u>25,945</u>	<u>27,049</u>	<u>6,747</u>	<u>21,281</u>
Excess (deficiency) of receipts over disbursements	<u>61,315</u>	<u>(23,322)</u>	<u>7,305</u>	<u>(828)</u>	<u>3,665</u>	<u>(14,096)</u>
Cash and investments - ending	<u>\$ 848,053</u>	<u>\$ 339,545</u>	<u>\$ 28,919</u>	<u>\$ 58,959</u>	<u>\$ 25,048</u>	<u>\$ 45,841</u>

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

	Riverboat N-R	Grants From Other Governments	Rainy Day	Levy Excess	Major Moves Construction N-R Fund	MVH N-R Wheel Tax
Cash and investments - beginning	\$ 86,043	\$ 49	\$ 191,031	\$ 366	\$ 529,545	\$ 63,090
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,499	-	34,644	-	-	64,458
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,065	-	148,720	4,430	7,979	1,483
Total receipts	<u>19,564</u>	<u>-</u>	<u>183,364</u>	<u>4,430</u>	<u>7,979</u>	<u>65,941</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>19,564</u>	<u>-</u>	<u>183,364</u>	<u>4,430</u>	<u>7,979</u>	<u>65,941</u>
Cash and investments - ending	<u>\$ 105,607</u>	<u>\$ 49</u>	<u>\$ 374,395</u>	<u>\$ 4,796</u>	<u>\$ 537,524</u>	<u>\$ 129,031</u>

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

	Debt Service Fund	Cumulative Capital Development	Park Non-Reverting Capital	Redevelopment Commission TIF	Industrial Development	General Improvement
Cash and investments - beginning	\$ 94,758	\$ 416,241	\$ 72,656	\$ -	\$ 118,460	\$ 126,132
Receipts:						
Taxes	170,074	105,194	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,419	2,115	-	14,868	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	37	63,453	-	254	1,501
Total receipts	<u>173,493</u>	<u>107,346</u>	<u>63,453</u>	<u>14,868</u>	<u>254</u>	<u>1,501</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	9,971	-	-
Debt service - principal and interest	194,425	-	-	-	-	-
Capital outlay	-	114,743	73,178	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	45,000	-	-	-	-
Total disbursements	<u>194,425</u>	<u>159,743</u>	<u>73,178</u>	<u>9,971</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(20,932)</u>	<u>(52,397)</u>	<u>(9,725)</u>	<u>4,897</u>	<u>254</u>	<u>1,501</u>
Cash and investments - ending	<u>\$ 73,826</u>	<u>\$ 363,844</u>	<u>\$ 62,931</u>	<u>\$ 4,897</u>	<u>\$ 118,714</u>	<u>\$ 127,633</u>

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

	Cumulative Capital Improvement	CEDIT	Park And Recreation	Cemetery Endowment	Payroll	Sewer Operating Cash
Cash and investments - beginning	\$ 67,044	\$ 728,775	\$ 106,181	\$ 59,958	\$ -	\$ 112,800
Receipts:						
Taxes	-	-	149,651	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	8,655	154,737	3,035	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	876,880
Penalties	-	-	-	-	-	8,293
Other receipts	-	216	33	1,431	1,238,156	119,982
Total receipts	<u>8,655</u>	<u>154,953</u>	<u>152,719</u>	<u>1,431</u>	<u>1,238,156</u>	<u>1,005,155</u>
Disbursements:						
Personal services	-	-	88,697	-	-	-
Supplies	-	-	13,279	-	-	-
Other services and charges	-	-	17,015	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	108,500	14,922	-	-	19,110
Utility operating expenses	-	-	-	-	-	828,919
Other disbursements	5,000	75,000	-	-	1,237,877	114,870
Total disbursements	<u>5,000</u>	<u>183,500</u>	<u>133,913</u>	<u>-</u>	<u>1,237,877</u>	<u>962,899</u>
Excess (deficiency) of receipts over disbursements	<u>3,655</u>	<u>(28,547)</u>	<u>18,806</u>	<u>1,431</u>	<u>279</u>	<u>42,256</u>
Cash and investments - ending	<u>\$ 70,699</u>	<u>\$ 700,228</u>	<u>\$ 124,987</u>	<u>\$ 61,389</u>	<u>\$ 279</u>	<u>\$ 155,056</u>

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

	Sewer Bond-Interest Cash	Sewer Depreciation Cash	TIF Meijer Bond Int Cash	TIF Jayco Bond Int Cash	Sewer Reserve Cash
Cash and investments - beginning	\$ 99,862	\$ 715,666	\$ 275,192	\$ 151,989	\$ 460,519
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	1,415,366	334,270	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	95,624	130,320	-	-	-
Total receipts	<u>95,624</u>	<u>130,320</u>	<u>1,415,366</u>	<u>334,270</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	12,328	-	55,088	104,565	-
Capital outlay	-	119,235	153,000	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	86,416	160,001	-	-	-
Total disbursements	<u>98,744</u>	<u>279,236</u>	<u>208,088</u>	<u>104,565</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,120)</u>	<u>(148,916)</u>	<u>1,207,278</u>	<u>229,705</u>	<u>-</u>
Cash and investments - ending	<u>\$ 96,742</u>	<u>\$ 566,750</u>	<u>\$ 1,482,470</u>	<u>\$ 381,694</u>	<u>\$ 460,519</u>

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

	Water Operating Cash	Water Bond And Interest	Water Depreciation Cash	Water SRF Debt Service Reserve Cash	Totals
Cash and investments - beginning	\$ 161,183	\$ -	\$ 416,585	\$ 286,441	\$ 6,652,892
Receipts:					
Taxes	-	-	-	-	1,589,470
Licenses and permits	-	-	-	-	3,957
Intergovernmental	-	-	-	-	2,653,529
Charges for services	-	-	-	-	21,941
Fines and forfeits	-	-	-	-	388
Utility fees	1,014,007	-	-	-	1,890,887
Penalties	9,383	-	-	-	17,676
Other receipts	21,858	424,514	168,422	88,892	2,676,469
Total receipts	1,045,248	424,514	168,422	88,892	8,854,317
Disbursements:					
Personal services	-	-	-	-	1,064,404
Supplies	-	-	-	-	101,432
Other services and charges	-	-	-	-	733,457
Debt service - principal and interest	-	111,000	206,135	-	683,541
Capital outlay	18,279	-	8,863	-	661,559
Utility operating expenses	489,409	-	-	-	1,318,328
Other disbursements	590,841	101,353	4,315	-	2,532,973
Total disbursements	1,098,529	212,353	219,313	-	7,095,694
Excess (deficiency) of receipts over disbursements	(53,281)	212,161	(50,891)	88,892	1,758,623
Cash and investments - ending	\$ 107,902	\$ 212,161	\$ 365,694	\$ 375,333	\$ 8,411,515

TOWN OF MIDDLEBURY
 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:		
Bonds payable:		
General obligation bonds:		
General obligation bonds of 2004	\$ <u>780,000</u>	\$ <u>188,985</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
SRF loan - 2006 bonds	\$ <u>5,020,814</u>	\$ <u>425,090</u>
Wastewater Utility:		
Revenue bonds:		
Refunding bonds of 2003	271,000	96,226
SRF loan - 1998 bonds *	1,336,000	1,362,052
Build Indiana loan - 2001 bonds **	<u>799,000</u>	<u>302,760</u>
Total Wastewater Utility	<u>2,406,000</u>	<u>1,761,038</u>
Total business-type activities debt	<u>\$ 7,426,814</u>	<u>\$ 2,186,128</u>

* Bonds were paid off in total on March 1, 2011 from available TIF funds.

** Includes \$202,000 paid early for bonds due in 2018 and 2019 from available TIF funds.

TOWN OF MIDDLEBURY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Town maintains capital asset records for equipment only. No records are available for land, infrastructure, buildings or improvements other than buildings.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MIDDLEBURY
EXIT CONFERENCE

The contents of this report were discussed on August 16, 2011, with Sally A. Nusbaum, Clerk-Treasurer, and Gary L. O'Dell, President of the Town Council. The officials concurred with our finding.