

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF NORTH MANCHESTER

WABASH COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
11/28/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carrie C. Mugford	01-01-08 to 12-31-11
Town Manager	Daniel A. Hannaford	01-01-10 to 12-31-11
President of the Town Council	Christopher W. Garber	01-01-10 to 12-31-11
Superintendent of Utilities	John G. Mugford	01-01-10 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 NORTH MANCHESTER, WABASH COUNTY, INDIANA

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

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

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

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16). In accordance with Indiana Code 36-8-16-14 these fees have been subject to an annual examination performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement.

The Combining Schedule 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. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

October 13, 2011

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FINANCIAL STATEMENT

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

TOWN OF NORTH MANCHESTER
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	\$ 173,148	\$ 1,701,069	\$ 1,710,469	\$ 163,748
Motor Vehicle Highway	110,447	448,839	398,381	160,905
Local Road and Street	121,497	27,480	-	148,977
Emergency Medical Services	34,317	253,319	243,079	44,557
Sanitation Revenue	146,534	288,674	336,274	98,934
Law Enforcement Continuing Education	13,846	3,022	3,410	13,458
Riverboat	190,052	44,555	12,500	222,107
Emergency Telephone System	202,966	67,220	93,720	176,466
Parks and Recreation	206,880	192,025	304,424	94,481
Rainy Day	560,491	65,781	137,292	488,980
Levy Excess	-	4,999	-	4,999
Park Revolving	8,105	2,177	1,713	8,569
Ordinance Enforcement Expense	2,549	984	-	3,533
Police Tactical Equipment	923	-	-	923
Sidewalk Replacement	37,439	5,314	7,334	35,419
Debt Service	1,043	153,780	144,375	10,448
Cumulative Capital Development	201,866	27,721	-	229,587
Cumulative Fire and Building	66,773	33,993	41,411	59,355
Cumulative Capital Improvement	119,220	21,613	729	140,104
Economic Development Income Tax	788,716	200,610	231,707	757,619
CDBG Planning Grant Facade	19,800	-	19,800	-
Fire Fighting Equipment	2,748	-	-	2,748
Frantz Park Donation	778	-	-	778
Halderman Park Donation	40	-	-	40
Police Donation	7,028	20,359	17,432	9,955
Pool Donation	1,437	6,768	2,580	5,625
Pool Membership Donation	167	-	-	167
Scout Hall Donation	2,054	100	-	2,154
Seward Building Donation	678	-	-	678
Walrod Memorial Tree	5,788	1,150	1,550	5,388
Warvel Park Donation	1,938	125	-	2,063
Payroll	11,557	469,026	467,388	13,195
Court Cost Due County	311	938	644	605
Street Deposit and Refund	7,460	2,419	975	8,904
User Fee	948	2,428	2,148	1,228
Town Court	2,396	11,564	13,315	645
Storm Water Operating	49,475	229,231	240,210	38,496
Storm Water Bond and Interest	36,348	91,771	88,569	39,550
Storm Water Improvement	306,596	8,285	20,000	294,881
Storm Water Debt Service Reserve	68,067	1,357	-	69,424
Wastewater Operating	122,078	703,593	729,839	95,832
Wastewater Bond and Interest	10,784	123,202	126,159	7,827
Wastewater Improvement	343,578	29,613	-	373,191
Wastewater Debt Service Reserve	151,294	3,015	-	154,309
Water Operating	129,232	1,014,667	1,036,933	106,966
Water Bond and Interest	107,725	284,936	274,124	118,537
Water Improvement	189,371	164,202	-	353,573
Water Customer Deposit	37,629	22,195	16,035	43,789
Water Construction	111,052	-	111,052	-
Water Debt Service Reserve	177,634	23,963	-	201,597
Totals	<u>\$ 4,892,803</u>	<u>\$ 6,758,082</u>	<u>\$ 6,835,571</u>	<u>\$ 4,815,314</u>

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

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts 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.

Special assessments which include 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

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 receipt 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 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).

Net proceeds from borrowings which include 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 include 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 statement. 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.

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Supplies 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 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 principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which 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 NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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:

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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the Town. It is presented as intended by the Town.

TOWN OF NORTH MANCHESTER
 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	Emergency Medical Services	Sanitation Revenue	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 173,148	\$ 110,447	\$ 121,497	\$ 34,317	\$ 146,534	\$ 13,846	\$ 190,052
Receipts:							
Taxes	877,288	260,593	-	-	-	-	-
Licenses and permits	5,633	-	-	-	-	-	-
Intergovernmental	791,984	184,770	23,905	127,525	-	-	39,175
Charges for services	25	600	-	124,846	284,441	2,292	-
Fines and forfeits	4,417	-	-	-	-	472	-
Utility fees	-	-	-	-	-	-	-
Other receipts	21,722	2,876	3,575	948	4,233	258	5,380
Total receipts	<u>1,701,069</u>	<u>448,839</u>	<u>27,480</u>	<u>253,319</u>	<u>288,674</u>	<u>3,022</u>	<u>44,555</u>
Disbursements:							
Personal services	1,131,603	184,084	-	3,466	51,926	-	-
Supplies	60,721	191,532	-	1,701	2,903	3,410	-
Other services and charges	466,096	22,765	-	237,912	278,975	-	12,500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	52,049	-	-	-	2,470	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,710,469</u>	<u>398,381</u>	<u>-</u>	<u>243,079</u>	<u>336,274</u>	<u>3,410</u>	<u>12,500</u>
Excess (deficiency) of receipts over disbursements	<u>(9,400)</u>	<u>50,458</u>	<u>27,480</u>	<u>10,240</u>	<u>(47,600)</u>	<u>(388)</u>	<u>32,055</u>
Cash and investments - ending	<u>\$ 163,748</u>	<u>\$ 160,905</u>	<u>\$ 148,977</u>	<u>\$ 44,557</u>	<u>\$ 98,934</u>	<u>\$ 13,458</u>	<u>\$ 222,107</u>

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

	Emergency Telephone System	Parks and Recreation	Rainy Day	Levy Excess	Park Revolving	Ordinance Enforcement Expense	Police Tactical Equipment
Cash and investments - beginning	\$ 202,966	\$ 206,880	\$ 560,491	\$ -	\$ 8,105	\$ 2,549	\$ 923
Receipts:							
Taxes	-	160,585	-	4,999	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	14,024	60,167	-	-	-	-
Charges for services	63,750	13,050	-	-	2,177	-	-
Fines and forfeits	-	-	-	-	-	984	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,470	4,366	5,614	-	-	-	-
Total receipts	<u>67,220</u>	<u>192,025</u>	<u>65,781</u>	<u>4,999</u>	<u>2,177</u>	<u>984</u>	<u>-</u>
Disbursements:							
Personal services	93,720	129,688	-	-	-	-	-
Supplies	-	14,212	-	-	1,713	-	-
Other services and charges	-	87,121	137,292	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	73,403	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>93,720</u>	<u>304,424</u>	<u>137,292</u>	<u>-</u>	<u>1,713</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(26,500)</u>	<u>(112,399)</u>	<u>(71,511)</u>	<u>4,999</u>	<u>464</u>	<u>984</u>	<u>-</u>
Cash and investments - ending	<u>\$ 176,466</u>	<u>\$ 94,481</u>	<u>\$ 488,980</u>	<u>\$ 4,999</u>	<u>\$ 8,569</u>	<u>\$ 3,533</u>	<u>\$ 923</u>

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

	Sidewalk Replacement	Debt Service	Cumulative Capital Development	Cumulative Fire and Building	Cumulative Capital Improvement	Economic Development Income Tax	CDBG Planning Grant Facade
Cash and investments - beginning	\$ 37,439	\$ 1,043	\$ 201,866	\$ 66,773	\$ 119,220	\$ 788,716	\$ 19,800
Receipts:							
Taxes	-	141,429	20,400	30,102	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	12,351	1,782	2,628	18,329	156,923	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,314	-	5,539	1,263	3,284	43,687	-
Total receipts	<u>5,314</u>	<u>153,780</u>	<u>27,721</u>	<u>33,993</u>	<u>21,613</u>	<u>200,610</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	7,334	-	-	-	729	22,267	19,800
Debt service - principal and interest	-	144,375	-	41,411	-	-	-
Capital outlay	-	-	-	-	-	209,440	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>7,334</u>	<u>144,375</u>	<u>-</u>	<u>41,411</u>	<u>729</u>	<u>231,707</u>	<u>19,800</u>
Excess (deficiency) of receipts over disbursements	<u>(2,020)</u>	<u>9,405</u>	<u>27,721</u>	<u>(7,418)</u>	<u>20,884</u>	<u>(31,097)</u>	<u>(19,800)</u>
Cash and investments - ending	<u>\$ 35,419</u>	<u>\$ 10,448</u>	<u>\$ 229,587</u>	<u>\$ 59,355</u>	<u>\$ 140,104</u>	<u>\$ 757,619</u>	<u>\$ -</u>

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

	Fire Fighting Equipment	Frantz Park Donation	Halderman Park Donation	Police Donation	Pool Donation	Pool Membership Donation
Cash and investments - beginning	\$ 2,748	\$ 778	\$ 40	\$ 7,028	\$ 1,437	\$ 167
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	20,359	6,768	-
Total receipts	-	-	-	20,359	6,768	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	17,432	2,580	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	17,432	2,580	-
Excess (deficiency) of receipts over disbursements	-	-	-	2,927	4,188	-
Cash and investments - ending	<u>\$ 2,748</u>	<u>\$ 778</u>	<u>\$ 40</u>	<u>\$ 9,955</u>	<u>\$ 5,625</u>	<u>\$ 167</u>

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

	Scout Hall Donation	Seward Building Donation	Walrod Memorial Tree	Warvel Park Donation	Payroll	Court Cost Due County
Cash and investments - beginning	\$ 2,054	\$ 678	\$ 5,788	\$ 1,938	\$ 11,557	\$ 311
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	100	-	1,150	125	469,026	938
Total receipts	<u>100</u>	<u>-</u>	<u>1,150</u>	<u>125</u>	<u>469,026</u>	<u>938</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1,550	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	467,388	644
Total disbursements	<u>-</u>	<u>-</u>	<u>1,550</u>	<u>-</u>	<u>467,388</u>	<u>644</u>
Excess (deficiency) of receipts over disbursements	<u>100</u>	<u>-</u>	<u>(400)</u>	<u>125</u>	<u>1,638</u>	<u>294</u>
Cash and investments - ending	<u>\$ 2,154</u>	<u>\$ 678</u>	<u>\$ 5,388</u>	<u>\$ 2,063</u>	<u>\$ 13,195</u>	<u>\$ 605</u>

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

	Street Deposit and Refund	User Fee	Town Court	Storm Water Operating	Storm Water Bond and Interest	Storm Water Improvement
Cash and investments - beginning	\$ 7,460	\$ 948	\$ 2,396	\$ 49,475	\$ 36,348	\$ 306,596
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	208,533	-	-
Other receipts	2,419	2,428	11,564	20,698	91,771	8,285
Total receipts	<u>2,419</u>	<u>2,428</u>	<u>11,564</u>	<u>229,231</u>	<u>91,771</u>	<u>8,285</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	84,745	-
Capital outlay	-	-	-	17,560	-	-
Utility operating expenses	-	-	-	124,711	-	-
Other disbursements	975	2,148	13,315	97,939	3,824	20,000
Total disbursements	<u>975</u>	<u>2,148</u>	<u>13,315</u>	<u>240,210</u>	<u>88,569</u>	<u>20,000</u>
Excess (deficiency) of receipts over disbursements	<u>1,444</u>	<u>280</u>	<u>(1,751)</u>	<u>(10,979)</u>	<u>3,202</u>	<u>(11,715)</u>
Cash and investments - ending	<u>\$ 8,904</u>	<u>\$ 1,228</u>	<u>\$ 645</u>	<u>\$ 38,496</u>	<u>\$ 39,550</u>	<u>\$ 294,881</u>

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

	Storm Water Debt Service Reserve	Wastewater Operating	Wastewater Bond and Interest	Wastewater Improvement	Wastewater Debt Service Reserve	Water Operating
Cash and investments - beginning	\$ 68,067	\$ 122,078	\$ 10,784	\$ 343,578	\$ 151,294	\$ 129,232
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	680,360	-	-	-	925,092
Other receipts	1,357	23,233	123,202	29,613	3,015	89,575
Total receipts	<u>1,357</u>	<u>703,593</u>	<u>123,202</u>	<u>29,613</u>	<u>3,015</u>	<u>1,014,667</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	122,335	-	-	-
Capital outlay	-	18,037	-	-	-	16,905
Utility operating expenses	-	533,602	-	-	-	391,210
Other disbursements	-	178,200	3,824	-	-	628,818
Total disbursements	<u>-</u>	<u>729,839</u>	<u>126,159</u>	<u>-</u>	<u>-</u>	<u>1,036,933</u>
Excess (deficiency) of receipts over disbursements	<u>1,357</u>	<u>(26,246)</u>	<u>(2,957)</u>	<u>29,613</u>	<u>3,015</u>	<u>(22,266)</u>
Cash and investments - ending	<u>\$ 69,424</u>	<u>\$ 95,832</u>	<u>\$ 7,827</u>	<u>\$ 373,191</u>	<u>\$ 154,309</u>	<u>\$ 106,966</u>

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

	Water Bond and Interest	Water Improvement	Water Customer Deposit	Water Construction	Water Debt Service Reserve	Totals
Cash and investments - beginning	\$ 107,725	\$ 189,371	\$ 37,629	\$ 111,052	\$ 177,634	\$ 4,892,803
Receipts:						
Taxes	-	-	-	-	-	1,495,396
Licenses and permits	-	-	-	-	-	5,633
Intergovernmental	-	-	-	-	-	1,433,563
Charges for services	-	-	-	-	-	491,181
Fines and forfeits	-	-	-	-	-	5,873
Utility fees	-	-	-	-	-	1,813,985
Other receipts	284,936	164,202	22,195	-	23,963	1,512,451
Total receipts	<u>284,936</u>	<u>164,202</u>	<u>22,195</u>	<u>-</u>	<u>23,963</u>	<u>6,758,082</u>
Disbursements:						
Personal services	-	-	-	-	-	1,594,487
Supplies	-	-	-	-	-	276,192
Other services and charges	-	-	-	-	-	1,314,353
Debt service - principal and interest	274,124	-	-	-	-	666,990
Capital outlay	-	-	-	84,149	-	474,013
Utility operating expenses	-	-	16,035	-	-	1,065,558
Other disbursements	-	-	-	26,903	-	1,443,978
Total disbursements	<u>274,124</u>	<u>-</u>	<u>16,035</u>	<u>111,052</u>	<u>-</u>	<u>6,835,571</u>
Excess (deficiency) of receipts over disbursements	<u>10,812</u>	<u>164,202</u>	<u>6,160</u>	<u>(111,052)</u>	<u>23,963</u>	<u>(77,489)</u>
Cash and investments - ending	<u>\$ 118,537</u>	<u>\$ 353,573</u>	<u>\$ 43,789</u>	<u>\$ -</u>	<u>\$ 201,597</u>	<u>\$ 4,815,314</u>

TOWN OF NORTH MANCHESTER
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 completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets is not required.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 657,904
Infrastructure	773,110
Buildings	2,963,990
Improvements other than buildings	306,892
Machinery and equipment	2,567,538
Construction in progress	<u>157,397</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 7,426,831</u></u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 61,980
Buildings	1,994,713
Improvements other than buildings	6,065,079
Machinery and equipment	<u>247,941</u>
 Total Water Utility capital assets	 <u>8,369,713</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	26,977
Buildings	2,047,076
Improvements other than buildings	1,429,042
Machinery and equipment	<u>697,563</u>
 Total Wastewater Utility capital assets	 <u>4,200,658</u>
Storm Water Utility:	
Capital assets, not being depreciated:	
Construction in progress	99,130
Buildings	109,324
Improvements other than buildings	2,313,977
Machinery and equipment	<u>64,179</u>
 Total Storm Water Utility capital assets	 <u>2,586,610</u>
 Total business-type activities capital assets	 <u><u>\$ 15,156,981</u></u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Public safety building	\$ 440,000	\$ 144,379	Debt Service
Fire truck	77,111	41,412	Cumulative Fire
Loans payable:			
State revolving fund loan 2000	954,000	151,767	Water Utility
State revolving fund loan 2002	254,994	66,207	Wastewater Utility
State revolving fund loan 2009	2,794,824	128,245	Water Utility
Bonds payable:			
Revenue bonds:			
Refunding revenue bonds of 2007	<u>415,000</u>	<u>86,890</u>	Storm Water Utility
Total debt	<u>\$ 4,935,929</u>	<u>\$ 618,900</u>	

TOWN OF NORTH MANCHESTER
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2011, with Carrie C. Mugford, Clerk-Treasurer, and Daniel A. Hannaford, Town Manager. Our examination disclosed no material items that warrant comment at this time.