

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF SHIPSHEWANA

LAGRANGE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
10/11/2012



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Ann Downey	01-01-09 to 12-31-15
President of the Town Council	Roger D. Yoder	01-01-10 to 12-31-12
President of the Storm Water Management District	C. Arlene Lazzaro Christine A. Yoder	01-01-10 to 02-28-11 03-01-11 to 12-31-12
Superintendent of Water Utility	Thomas Sheline Boyd Jones	01-01-10 to 11-01-11 11-02-11 to 12-31-12
Superintendent of Wastewater Utility	Boyd Jones	01-01-10 to 12-31-12
Superintendent of Storm Water Utility	Thomas Sheline Dave Palenchar	01-01-10 to 11-01-11 11-02-11 to 08-10-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SHIP SHEWANA, LAGRANGE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Shipshewana (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial 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, Town Council, and others within the entity 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 21, 2012

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## FINANCIAL STATEMENTS

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

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 436,612	\$ 714,540	\$ 609,559	\$ 541,593
Motor Vehicle Highway	219,768	128,022	107,729	240,061
Local Road and Street	31,036	3,041	-	34,077
Federal Grants	-	287,737	287,737	-
Law Enforcement Continuing Education	8,936	1,314	3,820	6,430
Riverboat	20,203	3,418	11,200	12,421
Park and Recreation	85,403	37,607	55,368	67,642
Fire Run Fees	15,221	119,674	106,138	28,757
Donation	1,073	166	314	925
Rainy Day	92,469	15,959	-	108,428
Fire Donation	13,513	14,378	13,329	14,562
Levy Excess	-	8,410	5,895	2,515
Police Donation	1,907	561	2,133	335
Town Center - Operating	89,510	272,540	353,999	8,051
Police Grant	-	4,860	4,860	-
Appreciation	-	3,210	2,756	454
Storm Water Utility - Bond and Interest	44,302	65,240	67,454	42,088
Town Center - Debt	187,000	374,000	374,000	187,000
Cumulative Capital Development	293,510	33,991	301	327,200
Cumulative Building and Fire Fighting Equipment	83,078	22,104	30,201	74,981
Cumulative Capital Improvement	72,152	1,897	-	74,049
County Economic Development Income Tax	115,532	88,293	98,798	105,027
Tax Incremental Financing	864,615	639,358	619,958	884,015
Food and Beverage Tax	162,306	141,171	34,438	269,039
Payroll	1,159	628,477	628,920	716
Storm Water Utility - Operating	63,307	72,146	68,862	66,591
Storm Water Utility - Construction	-	38,056	1,961	36,095
Wastewater Utility - Operating	77,980	283,510	253,356	108,134
Wastewater Utility - Bond and Interest	10,386	58,663	63,995	5,054
Wastewater Utility - Improvement	800,869	65,000	40,561	825,308
Wastewater Utility - Debt Service Reserve	137,812	-	-	137,812
Water Utility - Operating	97,220	235,154	213,887	118,487
Water Utility - Bond and Interest	6,158	49,225	53,702	1,681
Water Utility - Improvement	156,938	171,001	273,681	54,258
Water Utility - Customer Deposit	3,325	1,200	800	3,725
Water Utility - Debt Service Reserve	122,619	-	-	122,619
Totals	<u>\$ 4,315,919</u>	<u>\$ 4,583,923</u>	<u>\$ 4,389,712</u>	<u>\$ 4,510,130</u>

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

TOWN OF SHIPSHEWANA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 541,593	\$ 723,671	\$ 610,637	\$ 654,627
Motor Vehicle Highway	240,061	143,438	105,040	278,459
Local Road and Streets	34,077	2,986	-	37,063
Law Enforcement Continuing Education	6,430	1,406	2,020	5,816
Riverboat	12,421	3,401	10,547	5,275
Park and Recreation	67,642	42,084	44,272	65,454
Fire Run Fees	28,757	114,081	104,925	37,913
Rainy Day	108,428	442	-	108,870
Levy Excess	2,515	-	2,515	-
Cumulative Capital Development	327,200	34,744	-	361,944
Cumulative Building and Fire Fighting Equipment	74,981	22,506	30,000	67,487
Cumulative Capital Improvement	74,049	1,854	-	75,903
County Economic Development Income Tax	105,027	75,931	64,654	116,304
Tax Incremental Financing	884,015	505,432	688,291	701,156
Federal Grants	-	16,000	16,000	-
Donation	925	774	938	761
Fire Donation	14,562	176,866	10,753	180,675
Police Donation	335	2,086	1,907	514
Town Center - Operating	8,051	354,924	335,000	27,975
Police Grant	-	2,925	2,925	-
Appreciation	454	2,572	2,831	195
Storm Water Utility - Bond and Interest	42,088	74,484	70,790	45,782
Town Center - Debt	187,000	561,000	374,000	374,000
Food and Beverage Tax	269,039	220,262	175,021	314,280
Payroll	716	603,440	603,917	239
Storm Water Utility - Operating	66,591	49,329	48,296	67,624
Storm Water Utility - Construction	36,095	36,236	-	72,331
Wastewater Utility - Operating	108,134	250,540	241,731	116,943
Wastewater Utility - Bond and Interest	5,054	65,688	67,690	3,052
Wastewater Utility - Improvement	825,308	75,000	22,849	877,459
Wastewater Utility - Debt Service Reserve	137,812	-	-	137,812
Water Utility - Operating	118,487	233,919	205,800	146,606
Water Utility - Bond and Interest	1,681	52,548	52,542	1,687
Water Utility - Improvement	54,258	160,111	35,218	179,151
Water Utility - Customer Deposit	3,725	600	900	3,425
Water Utility - Debt Service Reserve	122,619	-	-	122,619
Totals	<u>\$ 4,510,130</u>	<u>\$ 4,611,280</u>	<u>\$ 3,932,009</u>	<u>\$ 5,189,401</u>

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

TOWN OF SHIPSHEWANA  
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, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

*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 include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF SHIPSHEWANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

Penalties which include fees received for late payments.

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

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

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

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF SHIPSHEWANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

TOWN OF SHIPSHEWANA  
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 any replacement items purchased.

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### SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports 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 approved by management of the Town. It is presented as intended by the Town.

TOWN OF SHIPSHEWANA  
 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	Federal Grants	Law Enforcement Continuing Education	Riverboat	Park and Recreation
Cash and investments - beginning	\$ 436,612	\$ 219,768	\$ 31,036	\$ -	\$ 8,936	\$ 20,203	\$ 85,403
Receipts:							
Taxes	392,831	107,429	-	-	-	3,354	21,613
Intergovernmental	296,693	19,196	2,897	287,737	910	-	3,468
Charges for services	507	-	-	-	375	-	3,183
Fines and forfeits	5,825	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	18,684	1,397	144	-	29	64	9,343
Total receipts	<u>714,540</u>	<u>128,022</u>	<u>3,041</u>	<u>287,737</u>	<u>1,314</u>	<u>3,418</u>	<u>37,607</u>
Disbursements:							
Personal services	345,116	29,919	-	-	-	-	14,293
Supplies	75,294	30,707	-	-	-	-	17,463
Other services and charges	160,989	45,865	-	-	3,820	8,000	22,713
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	25,295	-	-	287,737	-	-	369
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,865	1,238	-	-	-	3,200	530
Total disbursements	<u>609,559</u>	<u>107,729</u>	<u>-</u>	<u>287,737</u>	<u>3,820</u>	<u>11,200</u>	<u>55,368</u>
Excess (deficiency) of receipts over disbursements	<u>104,981</u>	<u>20,293</u>	<u>3,041</u>	<u>-</u>	<u>(2,506)</u>	<u>(7,782)</u>	<u>(17,761)</u>
Cash and investments - ending	<u>\$ 541,593</u>	<u>\$ 240,061</u>	<u>\$ 34,077</u>	<u>\$ -</u>	<u>\$ 6,430</u>	<u>\$ 12,421</u>	<u>\$ 67,642</u>

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

	Fire Run Fees	Donation	Rainy Day	Fire Donation	Levy Excess	Police Donation
Cash and investments - beginning	\$ 15,221	\$ 1,073	\$ 92,469	\$ 13,513	\$ -	\$ 1,907
Receipts:						
Taxes	32,647	-	-	-	8,410	-
Intergovernmental	1,397	-	15,501	-	-	-
Charges for services	85,468	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	162	166	458	14,378	-	561
Total receipts	119,674	166	15,959	14,378	8,410	561
Disbursements:						
Personal services	37,000	-	-	-	-	-
Supplies	18,306	314	-	2,653	-	2,133
Other services and charges	50,583	-	-	959	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	9,717	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	249	-	-	-	5,895	-
Total disbursements	106,138	314	-	13,329	5,895	2,133
Excess (deficiency) of receipts over disbursements	13,536	(148)	15,959	1,049	2,515	(1,572)
Cash and investments - ending	\$ 28,757	\$ 925	\$ 108,428	\$ 14,562	\$ 2,515	\$ 335

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

	Town Center - Operating	Police Grant	Appreciation	Storm Water Utility - Bond and Interest	Town Center - Debt	Cumulative Capital Development
Cash and investments - beginning	\$ 89,510	\$ -	\$ -	\$ 44,302	\$ 187,000	\$ 293,510
Receipts:						
Taxes	80,920	-	-	62,504	-	31,284
Intergovernmental	-	4,860	-	2,702	-	1,356
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	191,620	-	3,210	34	374,000	1,351
Total receipts	<u>272,540</u>	<u>4,860</u>	<u>3,210</u>	<u>65,240</u>	<u>374,000</u>	<u>33,991</u>
Disbursements:						
Personal services	-	1,560	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	63,250	-	2,756	-	-	-
Debt service - principal and interest	-	-	-	66,490	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	290,749	3,300	-	964	374,000	301
Total disbursements	<u>353,999</u>	<u>4,860</u>	<u>2,756</u>	<u>67,454</u>	<u>374,000</u>	<u>301</u>
Excess (deficiency) of receipts over disbursements	<u>(81,459)</u>	<u>-</u>	<u>454</u>	<u>(2,214)</u>	<u>-</u>	<u>33,690</u>
Cash and investments - ending	<u>\$ 8,051</u>	<u>\$ -</u>	<u>\$ 454</u>	<u>\$ 42,088</u>	<u>\$ 187,000</u>	<u>\$ 327,200</u>

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

	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	County Economic Development Income Tax	Tax Incremental Financing	Food And Beverage Tax	Payroll
Cash and investments - beginning	\$ 83,078	\$ 72,152	\$ 115,532	\$ 864,615	\$ 162,306	\$ 1,159
Receipts:						
Taxes	20,900	-	-	627,612	101,426	-
Intergovernmental	908	1,569	87,712	-	25,082	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	296	328	581	11,746	14,663	628,477
Total receipts	<u>22,104</u>	<u>1,897</u>	<u>88,293</u>	<u>639,358</u>	<u>141,171</u>	<u>628,477</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	11,067	198,059	32,238	-
Debt service - principal and interest	30,000	-	47,731	-	-	-
Capital outlay	-	-	-	47,899	2,200	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	201	-	40,000	374,000	-	628,920
Total disbursements	<u>30,201</u>	<u>-</u>	<u>98,798</u>	<u>619,958</u>	<u>34,438</u>	<u>628,920</u>
Excess (deficiency) of receipts over disbursements	<u>(8,097)</u>	<u>1,897</u>	<u>(10,505)</u>	<u>19,400</u>	<u>106,733</u>	<u>(443)</u>
Cash and investments - ending	<u>\$ 74,981</u>	<u>\$ 74,049</u>	<u>\$ 105,027</u>	<u>\$ 884,015</u>	<u>\$ 269,039</u>	<u>\$ 716</u>

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

	Storm Water Utility - Operating	Storm Water Utility - Construction	Wastewater Utility - Operating	Wastewater Utility - Bond and interest	Wastewater Utility - Improvement	Wastewater Utility - Debt Service Reserve
Cash and investments - beginning	\$ 63,307	\$ -	\$ 77,980	\$ 10,386	\$ 800,869	\$ 137,812
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	62,134	-	270,233	-	-	-
Penalties	562	-	3,075	-	-	-
Other receipts	9,450	38,056	10,202	58,663	65,000	-
Total receipts	<u>72,146</u>	<u>38,056</u>	<u>283,510</u>	<u>58,663</u>	<u>65,000</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	63,995	-	-
Capital outlay	524	1,961	12,317	-	40,561	-
Utility operating expenses	45,602	-	231,037	-	-	-
Other disbursements	22,736	-	10,002	-	-	-
Total disbursements	<u>68,862</u>	<u>1,961</u>	<u>253,356</u>	<u>63,995</u>	<u>40,561</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,284</u>	<u>36,095</u>	<u>30,154</u>	<u>(5,332)</u>	<u>24,439</u>	<u>-</u>
Cash and investments - ending	<u>\$ 66,591</u>	<u>\$ 36,095</u>	<u>\$ 108,134</u>	<u>\$ 5,054</u>	<u>\$ 825,308</u>	<u>\$ 137,812</u>

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

	Water Utility - Operating	Water Utility - Bond and Interest	Water Utility - Improvement	Water Utility - Customer Deposit	Water Utility - Debt Service Reserve	Totals
Cash and investments - beginning	\$ 97,220	\$ 6,158	\$ 156,938	\$ 3,325	\$ 122,619	\$ 4,315,919
Receipts:						
Taxes	-	-	-	-	-	1,490,930
Intergovernmental	-	-	-	-	-	751,988
Charges for services	-	-	-	-	-	89,533
Fines and forfeits	-	-	-	-	-	5,825
Utility fees	198,563	-	-	-	-	530,930
Penalties	1,654	-	-	-	-	5,291
Other receipts	34,937	49,225	171,001	1,200	-	1,709,426
Total receipts	<u>235,154</u>	<u>49,225</u>	<u>171,001</u>	<u>1,200</u>	<u>-</u>	<u>4,583,923</u>
Disbursements:						
Personal services	-	-	-	-	-	427,888
Supplies	-	-	-	-	-	146,870
Other services and charges	-	-	-	-	-	600,299
Debt service - principal and interest	-	53,702	-	-	-	261,918
Capital outlay	16,606	-	273,681	-	-	718,867
Utility operating expenses	157,267	-	-	800	-	434,706
Other disbursements	40,014	-	-	-	-	1,799,164
Total disbursements	<u>213,887</u>	<u>53,702</u>	<u>273,681</u>	<u>800</u>	<u>-</u>	<u>4,389,712</u>
Excess (deficiency) of receipts over disbursements	<u>21,267</u>	<u>(4,477)</u>	<u>(102,680)</u>	<u>400</u>	<u>-</u>	<u>194,211</u>
Cash and investments - ending	<u>\$ 118,487</u>	<u>\$ 1,681</u>	<u>\$ 54,258</u>	<u>\$ 3,725</u>	<u>\$ 122,619</u>	<u>\$ 4,510,130</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road and Streets	Law Enforcement Continuing Education	Riverboat	Park and Recreation	Fire Run Fees
Cash and investments - beginning	\$ 541,593	\$ 240,061	\$ 34,077	\$ 6,430	\$ 12,421	\$ 67,642	\$ 28,757
Receipts:							
Taxes	420,605	121,251	-	-	-	26,304	54,879
Licenses and permits	125	-	-	400	-	-	-
Intergovernmental	255,920	18,398	2,834	-	3,354	4,020	1,946
Charges for services	2,408	-	-	-	-	10,935	55,798
Fines and forfeits	102	-	-	976	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	44,511	3,789	152	30	47	825	1,458
Total receipts	<u>723,671</u>	<u>143,438</u>	<u>2,986</u>	<u>1,406</u>	<u>3,401</u>	<u>42,084</u>	<u>114,081</u>
Disbursements:							
Personal services	332,913	23,256	-	-	-	8,487	40,179
Supplies	48,180	38,031	-	-	139	4,476	15,163
Other services and charges	172,177	39,945	-	2,020	7,861	30,373	38,404
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	46,836	3,808	-	-	-	-	5,315
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,531	-	-	-	2,547	936	5,864
Total disbursements	<u>610,637</u>	<u>105,040</u>	<u>-</u>	<u>2,020</u>	<u>10,547</u>	<u>44,272</u>	<u>104,925</u>
Excess (deficiency) of receipts over disbursements	<u>113,034</u>	<u>38,398</u>	<u>2,986</u>	<u>(614)</u>	<u>(7,146)</u>	<u>(2,188)</u>	<u>9,156</u>
Cash and investments - ending	<u>\$ 654,627</u>	<u>\$ 278,459</u>	<u>\$ 37,063</u>	<u>\$ 5,816</u>	<u>\$ 5,275</u>	<u>\$ 65,454</u>	<u>\$ 37,913</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Rainy Day	Levy Excess	Cumulative Capital Development	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	County Economic Development Income Tax
Cash and investments - beginning	\$ 108,428	\$ 2,515	\$ 327,200	\$ 74,981	\$ 74,049	\$ 105,027
Receipts:						
Taxes	-	-	32,180	21,498	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,141	762	1,539	75,561
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	442	-	1,423	246	315	370
Total receipts	<u>442</u>	<u>-</u>	<u>34,744</u>	<u>22,506</u>	<u>1,854</u>	<u>75,931</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	11,314
Debt service - principal and interest	-	-	-	30,000	-	51,440
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	2,515	-	-	-	1,900
Total disbursements	<u>-</u>	<u>2,515</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>64,654</u>
Excess (deficiency) of receipts over disbursements	<u>442</u>	<u>(2,515)</u>	<u>34,744</u>	<u>(7,494)</u>	<u>1,854</u>	<u>11,277</u>
Cash and investments - ending	<u>\$ 108,870</u>	<u>\$ -</u>	<u>\$ 361,944</u>	<u>\$ 67,487</u>	<u>\$ 75,903</u>	<u>\$ 116,304</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Tax Incremental Financing	Federal Grants	Donation	Fire Donation	Police Donation	Town Center - Operating
Cash and investments - beginning	\$ 884,015	\$ -	\$ 925	\$ 14,562	\$ 335	\$ 8,051
Receipts:						
Taxes	501,645	-	-	-	-	98,091
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	16,000	-	-	-	-
Charges for services	-	-	-	-	-	22,179
Fines and forfeits	-	-	-	-	-	191,124
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	3,787	-	774	176,866	2,086	43,530
Total receipts	<u>505,432</u>	<u>16,000</u>	<u>774</u>	<u>176,866</u>	<u>2,086</u>	<u>354,924</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	2	-
Other services and charges	28,311	-	519	3,104	135	68,945
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	16,000	-	2,236	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	659,980	-	419	5,413	1,770	266,055
Total disbursements	<u>688,291</u>	<u>16,000</u>	<u>938</u>	<u>10,753</u>	<u>1,907</u>	<u>335,000</u>
Excess (deficiency) of receipts over disbursements	<u>(182,859)</u>	<u>-</u>	<u>(164)</u>	<u>166,113</u>	<u>179</u>	<u>19,924</u>
Cash and investments - ending	<u>\$ 701,156</u>	<u>\$ -</u>	<u>\$ 761</u>	<u>\$ 180,675</u>	<u>\$ 514</u>	<u>\$ 27,975</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Police Grant	Appreciation	Storm Water Utility - Bond and Interest	Town Center Debt	Food and Beverage Tax	Payroll
Cash and investments - beginning	\$ -	\$ 454	\$ 42,088	\$ 187,000	\$ 269,039	\$ 716
Receipts:						
Taxes	-	-	71,903	-	83,546	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,925	-	2,550	-	128,953	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	2,572	31	561,000	7,763	603,440
Total receipts	<u>2,925</u>	<u>2,572</u>	<u>74,484</u>	<u>561,000</u>	<u>220,262</u>	<u>603,440</u>
Disbursements:						
Personal services	360	-	-	-	3,961	603,917
Supplies	960	-	-	-	-	-
Other services and charges	1,605	-	-	-	126,671	-
Debt service - principal and interest	-	-	70,390	374,000	-	-
Capital outlay	-	-	-	-	43,498	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	2,831	400	-	891	-
Total disbursements	<u>2,925</u>	<u>2,831</u>	<u>70,790</u>	<u>374,000</u>	<u>175,021</u>	<u>603,917</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(259)</u>	<u>3,694</u>	<u>187,000</u>	<u>45,241</u>	<u>(477)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 45,782</u>	<u>\$ 374,000</u>	<u>\$ 314,280</u>	<u>\$ 239</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Storm Water Utility - Operating	Storm Water Utility - Construction	Wastewater Utility - Operating	Wastewater Utility - Bond and Interest	Wastewater Utility - Improvement	Wastewater Utility - Debt Service Reserve
Cash and investments - beginning	\$ 66,591	\$ 36,095	\$ 108,134	\$ 5,054	\$ 825,308	\$ 137,812
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	46,554	36,000	243,765	65,688	75,000	-
Penalties	384	-	1,092	-	-	-
Other receipts	2,391	236	5,683	-	-	-
Total receipts	<u>49,329</u>	<u>36,236</u>	<u>250,540</u>	<u>65,688</u>	<u>75,000</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	67,690	-	-
Capital outlay	-	-	-	-	5,215	-
Utility operating expenses	42,640	-	233,627	-	15,069	-
Other disbursements	5,656	-	8,104	-	2,565	-
Total disbursements	<u>48,296</u>	<u>-</u>	<u>241,731</u>	<u>67,690</u>	<u>22,849</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,033</u>	<u>36,236</u>	<u>8,809</u>	<u>(2,002)</u>	<u>52,151</u>	<u>-</u>
Cash and investments - ending	<u>\$ 67,624</u>	<u>\$ 72,331</u>	<u>\$ 116,943</u>	<u>\$ 3,052</u>	<u>\$ 877,459</u>	<u>\$ 137,812</u>

TOWN OF SHIPSHEWANA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Water Utility - Operating	Water Utility - Bond and Interest	Water Utility - Improvement	Water Utility - Customer Deposit	Water Utility - Debt Service Reserve	Totals
Cash and investments - beginning	\$ 118,487	\$ 1,681	\$ 54,258	\$ 3,725	\$ 122,619	\$ 4,510,130
Receipts:						
Taxes	-	-	-	-	-	1,431,902
Licenses and permits	-	-	-	-	-	525
Intergovernmental	-	-	-	-	-	515,903
Charges for services	-	-	-	-	-	91,320
Fines and forfeits	-	-	-	-	-	192,202
Utility fees	230,490	52,548	157,000	-	-	907,045
Penalties	382	-	-	-	-	1,858
Other receipts	3,047	-	3,111	600	-	1,470,525
Total receipts	<u>233,919</u>	<u>52,548</u>	<u>160,111</u>	<u>600</u>	<u>-</u>	<u>4,611,280</u>
Disbursements:						
Personal services	-	-	-	-	-	1,013,073
Supplies	-	-	-	-	-	106,951
Other services and charges	-	-	-	-	-	531,384
Debt service - principal and interest	-	52,542	-	-	-	646,062
Capital outlay	-	-	7,760	-	-	130,668
Utility operating expenses	195,490	-	27,458	-	-	514,284
Other disbursements	10,310	-	-	900	-	989,587
Total disbursements	<u>205,800</u>	<u>52,542</u>	<u>35,218</u>	<u>900</u>	<u>-</u>	<u>3,932,009</u>
Excess (deficiency) of receipts over disbursements	<u>28,119</u>	<u>6</u>	<u>124,893</u>	<u>(300)</u>	<u>-</u>	<u>679,271</u>
Cash and investments - ending	<u>\$ 146,606</u>	<u>\$ 1,687</u>	<u>\$ 179,151</u>	<u>\$ 3,425</u>	<u>\$ 122,619</u>	<u>\$ 5,189,401</u>

TOWN OF SHIPSHEWANA  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 122,753	\$ 27,335
Storm Water	950	837
Wastewater	1,264	8,879
Water	2,680	26,961
Totals	\$ 127,647	\$ 64,012

TOWN OF SHIPSHEWANA  
SCHEDULE OF DEBT  
December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Capital Leases	Fire Station Construction Town Center	\$ 420,000 <u>3,750,000</u>	\$ 50,017 <u>365,656</u>
Total Governmental activities		<u>4,170,000</u>	<u>415,673</u>
Wastewater:			
Revenue bonds	Wastewater Revenue Bonds of 2001 (SRF)	<u>560,000</u>	<u>66,240</u>
Water:			
Revenue bonds	Waterworks Revenue Bonds of 2000 (SRF)	<u>392,495</u>	<u>51,382</u>
Storm Water:			
Revenue bonds	Storm Water District Bonds of 2004	<u>755,000</u>	<u>69,130</u>
Totals		<u>\$ 5,877,495</u>	<u>\$ 1,018,098</u>

TOWN OF SHIPSHEWANA  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 1,063,345
Infrastructure	3,372,331
Buildings	7,358,157
Improvements other than buildings	1,023,250
Machinery, equipment and vehicles	1,615,557
Total governmental activities	14,432,640
Storm Water:	
Infrastructure	1,508,261
Wastewater:	
Land	112,956
Infrastructure	3,793,269
Buildings	2,068,308
Improvements other than buildings	500,865
Machinery, equipment and vehicles	151,146
Total Wastewater	6,626,544
Water:	
Infrastructure	4,722,350
Buildings	130,000
Improvements other than buildings	565,000
Machinery, equipment and vehicles	66,000
Total Water	5,483,350
Total capital assets	\$ 28,050,795

TOWN OF SHIPSHEWANA  
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2012, with Ruth Ann Downey, Clerk-Treasurer, and Roger D. Yoder, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.