

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF BRUCEVILLE

KNOX COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/18/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Susan L. Cook	01-01-08 to 12-31-15
President of the Town Council	Everett Dillon Timothy V. Murphy	01-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BRUCEVILLE, KNOX COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Bruceville (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.

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 Leases and 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

September 18, 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 BRUCEVILLE
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	\$ 153,060	\$ 84,339	\$ 72,155	\$ 165,244
Motor Vehicle Highway	33,681	20,168	21,431	32,418
Local Road And Street	9,457	2,110	1,266	10,301
Riverboat	12,701	2,935	-	15,636
Park	17,023	2,831	2,111	17,743
Recreation League	1,531	1,450	-	2,981
Rainy Day	23,320	1,991	3,619	21,692
Economic Development Income Tax	18,296	5,666	-	23,962
Levy Excess	-	164	-	164
Cumulative Capital Improvement Cigarette Tax	7,642	1,373	-	9,015
Construction Project	22,807	135,500	135,118	23,189
Payroll	2,239	94,785	94,490	2,534
Wastewater Utility-Operating	14,295	133,720	144,273	3,742
Wastewater Utility-Bond And Interest	-	79,000	78,209	791
Wastewater Utility-Debt Reserve	-	1,550	-	1,550
Water Utility-Operating	93,939	303,936	293,341	104,534
Water Utility-Depreciation/Improvement	50,033	12,000	1,675	60,358
Water Utility-Meter Deposit	15,071	960	586	15,445
Water Utility-Construction	2,616	-	-	2,616
Totals	<u>\$ 477,711</u>	<u>\$ 884,478</u>	<u>\$ 848,274</u>	<u>\$ 513,915</u>

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

TOWN OF BRUCEVILLE
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	\$ 165,244	\$ 83,971	\$ 70,390	\$ 178,825
Motor Vehicle Highway	32,418	20,362	25,416	27,364
Local Road And Street	10,301	2,036	5,438	6,899
Riverboat	15,636	2,935	7,700	10,871
Park	17,743	3,013	2,717	18,039
Rainy Day	21,692	-	-	21,692
Economic Development Income Tax	23,962	5,151	4,405	24,708
Levy Excess	164	-	164	-
Cumulative Capital Improvement Cigarette Tax	9,015	1,347	3,000	7,362
Recreation League	2,981	10,200	10,400	2,781
Construction Project	23,189	117,520	140,709	-
Payroll	2,534	95,507	95,814	2,227
Wastewater Utility-Operating	3,742	172,565	159,527	16,780
Wastewater Utility-Bond And Interest	791	89,320	81,553	8,558
Wastewater Utility-Debt Reserve	1,550	9,300	-	10,850
Water Utility-Operating	104,534	285,489	295,273	94,750
Water Utility-Depreciation/Improvement	60,358	42,000	-	102,358
Water Utility-Meter Deposit	15,445	1,219	853	15,811
Water Utility-Construction	2,616	-	-	2,616
Totals	<u>\$ 513,915</u>	<u>\$ 941,935</u>	<u>\$ 903,359</u>	<u>\$ 552,491</u>

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

TOWN OF BRUCEVILLE
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, electric, gas, storm water, trash, aviation, 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, county economic development income tax, boat and trailer excise tax, and other taxes that are set by the Town.

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: copies of public records, copy machine charges, cable tv receipts, and garbage/trash receipts.

TOWN OF BRUCEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF BRUCEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF BRUCEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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/.

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 BRUCEVILLE
 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	Riverboat	Park	Recreation League	Rainy Day
Cash and investments - beginning	\$ 153,060	\$ 33,681	\$ 9,457	\$ 12,701	\$ 17,023	\$ 1,531	\$ 23,320
Receipts:							
Taxes	56,218	7,952	-	-	2,826	-	-
Intergovernmental	12,544	12,216	2,110	2,935	5	-	1,991
Charges for services	14,950	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	627	-	-	-	-	1,450	-
Total receipts	<u>84,339</u>	<u>20,168</u>	<u>2,110</u>	<u>2,935</u>	<u>2,831</u>	<u>1,450</u>	<u>1,991</u>
Disbursements:							
Personal services	33,898	10,031	-	-	-	-	-
Supplies	1,174	7,376	1,266	-	-	-	-
Other services and charges	35,401	2,334	-	-	2,111	-	-
Capital outlay	1,682	1,690	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,619
Total disbursements	<u>72,155</u>	<u>21,431</u>	<u>1,266</u>	<u>-</u>	<u>2,111</u>	<u>-</u>	<u>3,619</u>
Excess (deficiency) of receipts over disbursements	<u>12,184</u>	<u>(1,263)</u>	<u>844</u>	<u>2,935</u>	<u>720</u>	<u>1,450</u>	<u>(1,628)</u>
Cash and investments - ending	<u>\$ 165,244</u>	<u>\$ 32,418</u>	<u>\$ 10,301</u>	<u>\$ 15,636</u>	<u>\$ 17,743</u>	<u>\$ 2,981</u>	<u>\$ 21,692</u>

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

	Economic Development Income Tax	Levy Excess	Cumulative Capital Improvement Cigarette Tax	Construction Project	Payroll	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest
Cash and investments - beginning	\$ 18,296	\$ -	\$ 7,642	\$ 22,807	\$ 2,239	\$ 14,295	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	5,666	-	1,373	135,500	-	-	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	132,972	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	164	-	-	94,785	748	79,000
Total receipts	5,666	164	1,373	135,500	94,785	133,720	79,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	135,118	-	-	-
Utility operating expenses	-	-	-	-	-	61,538	-
Other disbursements	-	-	-	-	94,490	82,735	78,209
Total disbursements	-	-	-	135,118	94,490	144,273	78,209
Excess (deficiency) of receipts over disbursements	5,666	164	1,373	382	295	(10,553)	791
Cash and investments - ending	\$ 23,962	\$ 164	\$ 9,015	\$ 23,189	\$ 2,534	\$ 3,742	\$ 791

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

	Wastewater Utility-Debt Reserve	Water Utility-Operating	Water Utility Depreciation/ Improvement	Water Utility-Meter Deposit	Water Utility Construction	Totals
Cash and investments - beginning	\$ -	\$ 93,939	\$ 50,033	\$ 15,071	\$ 2,616	\$ 477,711
Receipts:						
Taxes	-	-	-	-	-	66,996
Intergovernmental	-	-	-	-	-	174,340
Charges for services	-	-	-	-	-	14,950
Utility fees	-	261,546	-	-	-	394,518
Penalties	-	5,419	-	-	-	5,419
Other receipts	1,550	36,971	12,000	960	-	228,255
Total receipts	1,550	303,936	12,000	960	-	884,478
Disbursements:						
Personal services	-	-	-	-	-	43,929
Supplies	-	-	-	-	-	9,816
Other services and charges	-	-	-	-	-	39,846
Capital outlay	-	-	-	-	-	138,490
Utility operating expenses	-	255,870	-	586	-	317,994
Other disbursements	-	37,471	1,675	-	-	298,199
Total disbursements	-	293,341	1,675	586	-	848,274
Excess (deficiency) of receipts over disbursements	1,550	10,595	10,325	374	-	36,204
Cash and investments - ending	\$ 1,550	\$ 104,534	\$ 60,358	\$ 15,445	\$ 2,616	\$ 513,915

TOWN OF BRUCEVILLE
 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 Street	Riverboat	Park	Rainy Day	Economic Development Income Tax
Cash and investments - beginning	\$ 165,244	\$ 32,418	\$ 10,301	\$ 15,636	\$ 17,743	\$ 21,692	\$ 23,962
Receipts:							
Taxes	53,989	8,021	-	-	3,009	-	-
Intergovernmental	11,705	12,341	2,036	2,935	4	-	5,151
Charges for services	12,081	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	6,196	-	-	-	-	-	-
Total receipts	<u>83,971</u>	<u>20,362</u>	<u>2,036</u>	<u>2,935</u>	<u>3,013</u>	<u>-</u>	<u>5,151</u>
Disbursements:							
Personal services	33,189	10,031	-	-	-	-	-
Supplies	1,050	9,331	3,383	-	1,915	-	-
Other services and charges	35,855	2,054	-	-	522	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	296	4,000	2,055	7,700	280	-	4,405
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>70,390</u>	<u>25,416</u>	<u>5,438</u>	<u>7,700</u>	<u>2,717</u>	<u>-</u>	<u>4,405</u>
Excess (deficiency) of receipts over disbursements	<u>13,581</u>	<u>(5,054)</u>	<u>(3,402)</u>	<u>(4,765)</u>	<u>296</u>	<u>-</u>	<u>746</u>
Cash and investments - ending	<u>\$ 178,825</u>	<u>\$ 27,364</u>	<u>\$ 6,899</u>	<u>\$ 10,871</u>	<u>\$ 18,039</u>	<u>\$ 21,692</u>	<u>\$ 24,708</u>

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

	Levy Excess	Cumulative Capital Improvement Cigarette Tax	Recreation League	Construction Project	Payroll	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest
Cash and investments - beginning	\$ 164	\$ 9,015	\$ 2,981	\$ 23,189	\$ 2,534	\$ 3,742	\$ 791
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	1,347	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	167,799	-
Penalties	-	-	-	-	-	3,843	-
Other receipts	-	-	10,200	117,520	95,507	923	89,320
Total receipts	-	1,347	10,200	117,520	95,507	172,565	89,320
Disbursements:							
Personal services	-	-	-	-	95,814	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	140,709	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	81,553
Capital outlay	-	3,000	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	60,907	-
Other disbursements	164	-	10,400	-	-	98,620	-
Total disbursements	164	3,000	10,400	140,709	95,814	159,527	81,553
Excess (deficiency) of receipts over disbursements	(164)	(1,653)	(200)	(23,189)	(307)	13,038	7,767
Cash and investments - ending	\$ -	\$ 7,362	\$ 2,781	\$ -	\$ 2,227	\$ 16,780	\$ 8,558

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

	Wastewater Utility-Debt Reserve	Water Utility-Operating	Water Utility Depreciation/ Improvement	Water Utility-Meter Deposit	Water Utility Construction	Totals
Cash and investments - beginning	\$ 1,550	\$ 104,534	\$ 60,358	\$ 15,445	\$ 2,616	\$ 513,915
Receipts:						
Taxes	-	6,229	-	-	-	71,248
Intergovernmental	-	-	-	-	-	35,519
Charges for services	-	-	-	-	-	12,081
Utility fees	-	271,870	-	1,219	-	440,888
Penalties	-	6,192	-	-	-	10,035
Other receipts	9,300	1,198	42,000	-	-	372,164
Total receipts	<u>9,300</u>	<u>285,489</u>	<u>42,000</u>	<u>1,219</u>	<u>-</u>	<u>941,935</u>
Disbursements:						
Personal services	-	-	-	-	-	139,034
Supplies	-	-	-	-	-	15,679
Other services and charges	-	-	-	-	-	179,140
Debt service - principal and interest	-	-	-	-	-	81,553
Capital outlay	-	-	-	-	-	21,736
Utility operating expenses	-	123,681	-	-	-	184,588
Other disbursements	-	171,592	-	853	-	281,629
Total disbursements	<u>-</u>	<u>295,273</u>	<u>-</u>	<u>853</u>	<u>-</u>	<u>903,359</u>
Excess (deficiency) of receipts over disbursements	<u>9,300</u>	<u>(9,784)</u>	<u>42,000</u>	<u>366</u>	<u>-</u>	<u>38,576</u>
Cash and investments - ending	<u>\$ 10,850</u>	<u>\$ 94,750</u>	<u>\$ 102,358</u>	<u>\$ 15,811</u>	<u>\$ 2,616</u>	<u>\$ 552,491</u>

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,975	\$ -
Bruceville Wastewater Utility	176	-
Bruceville Water Utility	<u>5,949</u>	<u>26,433</u>
Totals	<u>\$ 8,100</u>	<u>\$ 26,433</u>

TOWN OF BRUCEVILLE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Bruceville Wastewater Utility: General obligation bonds	Sewer Construction	\$ 1,467,000	\$ 81,181
Totals		<u>\$ 1,467,000</u>	<u>\$ 81,181</u>

TOWN OF BRUCEVILLE
 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	\$ 40,501
Buildings	17,110
Improvements other than buildings	12,769
Machinery, equipment and vehicles	30,103
Total governmental activities	100,483
Bruceville Wastewater Utility:	
Land	26,170
Buildings	2,130,203
Improvements other than buildings	2,306,310
Total Bruceville Wastewater Utility	4,462,683
Bruceville Water Utility:	
Infrastructure	171,769
Machinery, equipment and vehicles	20,000
Total Bruceville Water Utility	191,769
Total capital assets	\$ 4,754,935

TOWN OF BRUCEVILLE
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The detail of the capital asset records does not match the control for the Water Utility. The Water Utility General Fixed Asset Account Group sheet showed a Balance Forward of \$740,676 as of December 31, 2004. However, the detail for providing historical costs for the Utility's capital assets are not available, and records classifying and summarizing the Utility's capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

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)

DELINQUENT ACCOUNTS RECEIVABLE

Ordinance 1985-1 established the shutoff policy for delinquent customers. The Water Utility did not always shutoff delinquent customers as required by the ordinance.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROVAL OF CLAIMS

Several claims were paid before Town Council approval.

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

SALES TAX

Sales tax was paid on some claims.

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

A similar comment appeared in the prior report.

TOWN OF BRUCEVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2012, with Susan L. Cook, Clerk-Treasurer, and Timothy V. Murphy, President of the Town Council. The officials concurred with our findings.