

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, 2012 to December 31, 2012



FILED
11/18/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carrie C. Mugford	01-01-12 to 12-31-15
Town Manager	Daniel A. Hannaford	01-01-12 to 12-31-13
President of the Town Council	Christopher W. Garber	01-01-12 to 12-31-13
Superintendent of Utilities	John G. Mugford	01-01-12 to 12-31-13



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 accompanying financial statement of the Town of North Manchester (Town), for the year ended December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 Indiana 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2012.

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, 2012, 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 statement. The Combining Schedule 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 17, 2013

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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, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 53,907	\$ 1,950,446	\$ 1,809,134	\$ 195,219
Motor Vehicle Highway	61,064	425,056	397,945	88,175
Local Road and Street	173,707	24,688	97,000	101,395
Emergency Medical Services	53,250	252,680	244,621	61,309
Sanitation Revenue	60,922	293,082	321,718	32,286
Community Development	-	80,000	-	80,000
Law Enforcement Continuing Education	12,680	3,241	3,897	12,024
Riverboat	172,621	37,044	-	209,665
Emergency Telephone System	100,859	405	41,284	59,980
Parks and Recreation	145,635	465,030	610,573	92
Rainy Day	315,300	1,642	132,109	184,833
Levy Excess	-	30,402	-	30,402
Cumulative Capital Development	197,852	22,846	47,652	173,046
Cumulative Fire	50,729	32,499	65,488	17,740
Cumulative Capital Improvement	137,600	16,711	79,366	74,945
Economic Development Income Tax	751,265	186,664	298,153	639,776
Park Revolving Fund	9,389	12,077	20,230	1,236
Ordinance Enforcement Expense	4,284	470	571	4,183
Police Tactical Equipment	923	200	1,055	68
Sidewalk Replacement	21,917	3,343	20,115	5,145
Debt Service	26,544	152,603	142,166	36,981
Fire Fighting Equipment	2,748	-	-	2,748
Frantz Park Donation	778	-	-	778
Halderman Park Donation	40	-	-	40
Police Donation	11,042	13,242	3,101	21,183
Pool Donation	24,946	7,456	4,776	27,626
Pool Membership Donation	167	-	50	117
Scout Hall Donation	1,587	2,004	405	3,186
Seward Building Donation	678	-	678	-
Walrod Memorial Tree	5,588	1,938	1,863	5,663
Warvel Park Donation	4,461	-	-	4,461
Payroll	14,519	534,965	546,452	3,032
Court Cost Due County	745	14	-	759
Street Deposit and Refund	9,561	1,525	1,886	9,200
User Fee	1,388	4	-	1,392
Storm Water Operating	92,463	210,151	191,232	111,382
Storm Water Bond and Interest	38,472	82,767	83,929	37,310
Storm Water Improvement	298,483	932	157,356	142,059
Storm Water Debt Service Reserve	63,847	97	-	63,944
Wastewater Operating	99,964	751,075	638,397	212,642
Wastewater Bond and Interest	73	-	73	-
Wastewater Utility Improvement	377,750	1,344	137,974	241,120
Water Operating	125,112	1,025,313	997,671	152,754
Water Bond and Interest	115,608	280,624	325,557	70,675
Water Utility Improvement	457,928	148,168	4,466	601,630
Water Customer Deposit	44,249	18,730	16,200	46,779
Water Debt Service Reserve	225,529	69,906	45,975	249,460
Totals	<u>\$ 4,368,174</u>	<u>\$ 7,141,384</u>	<u>\$ 7,491,118</u>	<u>\$ 4,018,440</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.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 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.

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

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

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 statement. 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.

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF NORTH MANCHESTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

Note 7. Subsequent Events

On March 26, 2013, the North Manchester Public Works closed on a \$3,146,000 State Revolving Fund loan. The loan is for projects 4-7 of the state mandated long-term control plan. On August 30, 2013, the Town of North Manchester was awarded an Office of Community and Rural Affairs grant for \$250,000. It will be used for downtown façade renovations.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 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 statement contained in this report and the financial information presented in the Annual Report of the Town which is 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 NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Emergency Medical Services	Sanitation Revenue	Community Development
Cash and investments - beginning	\$ 53,907	\$ 61,064	\$ 173,707	\$ 53,250	\$ 60,922	\$ -
Receipts:						
Taxes	868,504	385,592	-	127,500	-	-
Licenses and permits	4,387	-	-	-	-	-
Intergovernmental	1,064,934	34,442	23,939	-	-	60,000
Charges for services	1,200	600	-	122,724	286,755	-
Fines and forfeits	1,085	-	-	2,222	5,411	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	10,336	4,422	749	234	916	20,000
Total receipts	<u>1,950,446</u>	<u>425,056</u>	<u>24,688</u>	<u>252,680</u>	<u>293,082</u>	<u>80,000</u>
Disbursements:						
Personal services	1,111,890	198,139	-	3,438	43,979	-
Supplies	66,611	153,763	97,000	2,570	3,135	-
Other services and charges	316,041	34,931	-	2,034	271,447	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	58,024	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	256,568	11,112	-	236,579	3,157	-
Total disbursements	<u>1,809,134</u>	<u>397,945</u>	<u>97,000</u>	<u>244,621</u>	<u>321,718</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>141,312</u>	<u>27,111</u>	<u>(72,312)</u>	<u>8,059</u>	<u>(28,636)</u>	<u>80,000</u>
Cash and investments - ending	<u>\$ 195,219</u>	<u>\$ 88,175</u>	<u>\$ 101,395</u>	<u>\$ 61,309</u>	<u>\$ 32,286</u>	<u>\$ 80,000</u>

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Law Enforcement Continuing Education	Riverboat	Emergency Telephone System	Parks and Recreation	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 12,680	\$ 172,621	\$ 100,859	\$ 145,635	\$ 315,300	\$ -
Receipts:						
Taxes	-	-	-	187,483	-	-
Licenses and permits	1,820	-	-	-	-	-
Intergovernmental	-	36,207	-	17,002	-	-
Charges for services	774	-	-	250,526	-	-
Fines and forfeits	444	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	203	837	405	10,019	1,642	30,402
Total receipts	3,241	37,044	405	465,030	1,642	30,402
Disbursements:						
Personal services	-	-	41,284	386,224	27,158	-
Supplies	3,897	-	-	41,960	2,736	-
Other services and charges	-	-	-	154,154	36,750	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	3,046	63,566	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	25,189	1,899	-
Total disbursements	3,897	-	41,284	610,573	132,109	-
Excess (deficiency) of receipts over disbursements	(656)	37,044	(40,879)	(145,543)	(130,467)	30,402
Cash and investments - ending	\$ 12,024	\$ 209,665	\$ 59,980	\$ 92	\$ 184,833	\$ 30,402

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cumulative Capital Development	Cumulative Fire	Cumulative Capital Improvement	Economic Development Income Tax	Park Revolving Fund	Ordinance Enforcement Expense
Cash and investments - beginning	\$ 197,852	\$ 50,729	\$ 137,600	\$ 751,265	\$ 9,389	\$ 4,284
Receipts:						
Taxes	20,109	29,674	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,824	2,691	16,211	163,375	-	-
Charges for services	-	-	-	22,325	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	913	134	500	964	12,077	470
Total receipts	<u>22,846</u>	<u>32,499</u>	<u>16,711</u>	<u>186,664</u>	<u>12,077</u>	<u>470</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	481	13,430	-
Other services and charges	12,811	-	79,366	89,598	-	571
Debt service - principal and interest	-	41,412	-	-	-	-
Capital outlay	31,740	24,076	-	10,074	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,101	-	-	198,000	6,800	-
Total disbursements	<u>47,652</u>	<u>65,488</u>	<u>79,366</u>	<u>298,153</u>	<u>20,230</u>	<u>571</u>
Excess (deficiency) of receipts over disbursements	<u>(24,806)</u>	<u>(32,989)</u>	<u>(62,655)</u>	<u>(111,489)</u>	<u>(8,153)</u>	<u>(101)</u>
Cash and investments - ending	<u>\$ 173,046</u>	<u>\$ 17,740</u>	<u>\$ 74,945</u>	<u>\$ 639,776</u>	<u>\$ 1,236</u>	<u>\$ 4,183</u>

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Police Tactical Equipment	Sidewalk Replacement	Debt Service	Fire Fighting Equipment	Frantz Park Donation	Halderman Park Donation
Cash and investments - beginning	\$ 923	\$ 21,917	\$ 26,544	\$ 2,748	\$ 778	\$ 40
Receipts:						
Taxes	-	-	139,907	-	-	-
Licenses and permits	-	3,318	-	-	-	-
Intergovernmental	-	-	12,688	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	200	25	8	-	-	-
Total receipts	<u>200</u>	<u>3,343</u>	<u>152,603</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	1,055	-	-	-	-	-
Other services and charges	-	20,115	-	-	-	-
Debt service - principal and interest	-	-	142,166	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>1,055</u>	<u>20,115</u>	<u>142,166</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(855)</u>	<u>(16,772)</u>	<u>10,437</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 68</u>	<u>\$ 5,145</u>	<u>\$ 36,981</u>	<u>\$ 2,748</u>	<u>\$ 778</u>	<u>\$ 40</u>

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Police Donation	Pool Donation	Pool Membership Donation	Scout Hall Donation	Seward Building Donation	Walrod Memorial Tree
Cash and investments - beginning	\$ 11,042	\$ 24,946	\$ 167	\$ 1,587	\$ 678	\$ 5,588
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	13,242	7,456	-	2,004	-	1,938
Total receipts	<u>13,242</u>	<u>7,456</u>	<u>-</u>	<u>2,004</u>	<u>-</u>	<u>1,938</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	405	-	-
Other services and charges	3,101	464	-	-	-	1,863
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,312	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	50	-	678	-
Total disbursements	<u>3,101</u>	<u>4,776</u>	<u>50</u>	<u>405</u>	<u>678</u>	<u>1,863</u>
Excess (deficiency) of receipts over disbursements	<u>10,141</u>	<u>2,680</u>	<u>(50)</u>	<u>1,599</u>	<u>(678)</u>	<u>75</u>
Cash and investments - ending	<u>\$ 21,183</u>	<u>\$ 27,626</u>	<u>\$ 117</u>	<u>\$ 3,186</u>	<u>\$ -</u>	<u>\$ 5,663</u>

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Warvel Park Donation	Payroll	Court Cost Due County	Street Deposit and Refund	User Fee	Storm Water Operating
Cash and investments - beginning	\$ 4,461	\$ 14,519	\$ 745	\$ 9,561	\$ 1,388	\$ 92,463
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	1,525	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	14	-	4	-
Utility fees	-	-	-	-	-	209,178
Penalties	-	-	-	-	-	-
Other receipts	-	534,965	-	-	-	973
Total receipts	-	534,965	14	1,525	4	210,151
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	97,557
Other disbursements	-	546,452	-	1,886	-	93,675
Total disbursements	-	546,452	-	1,886	-	191,232
Excess (deficiency) of receipts over disbursements	-	(11,487)	14	(361)	4	18,919
Cash and investments - ending	\$ 4,461	\$ 3,032	\$ 759	\$ 9,200	\$ 1,392	\$ 111,382

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Storm Water Bond and Interest	Storm Water Improvement	Storm Water Debt Service Reserve	Wastewater Operating	Wastewater Bond and Interest	Wastewater Utility Improvement
Cash and investments - beginning	\$ 38,472	\$ 298,483	\$ 63,847	\$ 99,964	\$ 73	\$ 377,750
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	680,101	-	-
Penalties	-	-	-	11,335	-	-
Other receipts	82,767	932	97	59,639	-	1,344
Total receipts	<u>82,767</u>	<u>932</u>	<u>97</u>	<u>751,075</u>	<u>-</u>	<u>1,344</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	83,929	-	-	-	-	-
Capital outlay	-	157,356	-	-	-	-
Utility operating expenses	-	-	-	636,401	-	94,852
Other disbursements	-	-	-	1,996	73	43,122
Total disbursements	<u>83,929</u>	<u>157,356</u>	<u>-</u>	<u>638,397</u>	<u>73</u>	<u>137,974</u>
Excess (deficiency) of receipts over disbursements	<u>(1,162)</u>	<u>(156,424)</u>	<u>97</u>	<u>112,678</u>	<u>(73)</u>	<u>(136,630)</u>
Cash and investments - ending	<u>\$ 37,310</u>	<u>\$ 142,059</u>	<u>\$ 63,944</u>	<u>\$ 212,642</u>	<u>\$ -</u>	<u>\$ 241,120</u>

TOWN OF NORTH MANCHESTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Operating	Water Bond and Interest	Water Utility Improvement	Water Customer Deposit	Water Debt Service Reserve	Totals
Cash and investments - beginning	\$ 125,112	\$ 115,608	\$ 457,928	\$ 44,249	\$ 225,529	\$ 4,368,174
Receipts:						
Taxes	-	-	-	-	-	1,758,769
Licenses and permits	-	-	-	-	-	11,050
Intergovernmental	-	-	-	-	-	1,433,313
Charges for services	-	-	-	-	-	684,904
Fines and forfeits	-	-	-	-	-	9,180
Utility fees	1,012,060	-	-	18,730	-	1,920,069
Penalties	12,630	-	-	-	-	23,965
Other receipts	623	280,624	148,168	-	69,906	1,300,134
Total receipts	<u>1,025,313</u>	<u>280,624</u>	<u>148,168</u>	<u>18,730</u>	<u>69,906</u>	<u>7,141,384</u>
Disbursements:						
Personal services	-	-	-	-	-	1,812,112
Supplies	-	-	-	-	-	387,043
Other services and charges	-	-	-	-	-	1,023,246
Debt service - principal and interest	-	279,582	-	-	-	547,089
Capital outlay	-	-	4,466	-	-	356,660
Utility operating expenses	581,670	-	-	-	-	1,410,480
Other disbursements	416,001	45,975	-	16,200	45,975	1,954,488
Total disbursements	<u>997,671</u>	<u>325,557</u>	<u>4,466</u>	<u>16,200</u>	<u>45,975</u>	<u>7,491,118</u>
Excess (deficiency) of receipts over disbursements	<u>27,642</u>	<u>(44,933)</u>	<u>143,702</u>	<u>2,530</u>	<u>23,931</u>	<u>(349,734)</u>
Cash and investments - ending	<u>\$ 152,754</u>	<u>\$ 70,675</u>	<u>\$ 601,630</u>	<u>\$ 46,779</u>	<u>\$ 249,460</u>	<u>\$ 4,018,440</u>

TOWN OF NORTH MANCHESTER
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 97,989	\$ 38,382
Storm Water	211	18,941
Wastewater	12,115	64,329
Water	<u>12,680</u>	<u>67,849</u>
Totals	<u>\$ 122,995</u>	<u>\$ 189,501</u>

TOWN OF NORTH MANCHESTER
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North Manchester Redevelopment Authority	Downtown Sidewalk Renovation	\$ 86,000	05-15-12	12-31-31
USDA Rural Development	Public Safety Complex	<u>144,484</u>	07-15-99	01-15-14
Total of annual lease payments		<u>\$ 230,484</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Storm Water:			
Revenue bonds	Refunding Revenue Bonds of 2007	<u>\$ 275,000</u>	<u>\$ 85,966</u>
Water:			
Notes and loans payable	State Revolving Fund Loan 2000	700,000	152,343
Notes and loans payable	State Revolving Fund Loan 2009	<u>2,754,824</u>	<u>126,693</u>
Total Water		<u>3,454,824</u>	<u>279,036</u>
Totals		<u>\$ 3,729,824</u>	<u>\$ 365,002</u>

TOWN OF NORTH MANCHESTER
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 620,044
Infrastructure	779,261
Buildings	3,125,174
Improvements other than buildings	399,328
Machinery, equipment, and vehicles	<u>2,874,106</u>
Total governmental activities	<u>7,797,913</u>
Storm Water:	
Buildings	208,454
Improvements other than buildings	2,313,977
Machinery, equipment, and vehicles	<u>64,179</u>
Total Storm Water	<u>2,586,610</u>
Wastewater:	
Land	26,977
Buildings	2,047,076
Improvements other than buildings	1,465,639
Machinery, equipment, and vehicles	<u>725,920</u>
Total Wastewater	<u>4,265,612</u>
Water:	
Land	84,980
Buildings	1,994,713
Improvements other than buildings	6,065,079
Machinery, equipment, and vehicles	<u>314,926</u>
Total Water	<u>8,459,698</u>
Total capital assets	<u><u>\$ 23,109,833</u></u>

TOWN OF NORTH MANCHESTER
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The Cumulative Capital Improvement Fund expenditures exceeded budgeted appropriations by \$29,366.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TOWN OF NORTH MANCHESTER
EXIT CONFERENCE

The contents of this report were discussed on October 17, 2013, with Carrie C. Mugford, Clerk-Treasurer; Daniel A. Hannaford, Town Manager; and Christopher W. Garber, President of the Town Council. The officials concurred with our finding.