

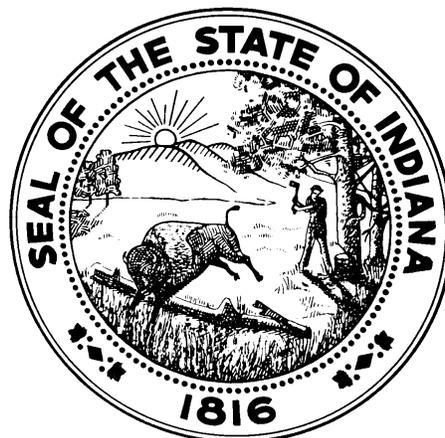
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

CITY OF ANDERSON

MADISON COUNTY, INDIANA



**FILED**  
12/21/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	C. Karen Carpenter	01-01-08 to 12-31-09
Mayor	Hon. Kris Ockomon	01-01-08 to 12-31-11
President of the Board of Public Works	C. Gregory Graham	01-01-08 to 12-31-09
President of the Common Council	Joseph Newman Rick Muir	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Utilities Finance Manager	Renisa D. Harry	01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF ANDERSON, MADISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anderson (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting 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 respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedules of Contributions from the Employer and Other Contributing Entities, and Budgetary Comparison Schedules for the General Fund, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Budgetary Comparison Schedules, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Budgetary Comparison Schedules and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 30, 2009



**STATE OF INDIANA**  
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302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF ANDERSON, MADISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anderson (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in item 2008-01 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, the significant deficiency described above, we consider item 2008-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated November 30, 2009.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council and federal awarding agencies and pass-through entities 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

November 30, 2009

CITY OF ANDERSON  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Governmental activities:</b>							
General government	\$ 20,158,877	\$ 3,274,599	\$ 8,601,558	\$ 6,295,335	\$ (1,987,385)	\$ -	\$ (1,987,385)
Public safety	25,427,798	1,514,040	517,145	18,041	(23,378,572)	-	(23,378,572)
Highways and streets	4,193,031	121,849	1,709,961	552,063	(1,809,158)	-	(1,809,158)
Sanitation	3,009,284	36,386	55	-	(2,972,843)	-	(2,972,843)
Urban redevelopment and housing	5,301,154	-	1,893,976	-	(3,407,178)	-	(3,407,178)
Economic development	4,279,374	-	14,317	903,364	(3,361,693)	-	(3,361,693)
Culture and recreation	3,107,981	420,885	758,147	-	(1,928,949)	-	(1,928,949)
Debt service	7,813,198	-	-	-	(7,813,198)	-	(7,813,198)
Total governmental activities	<u>73,290,697</u>	<u>5,367,759</u>	<u>13,495,159</u>	<u>7,768,803</u>	<u>(46,658,976)</u>	<u>-</u>	<u>(46,658,976)</u>
<b>Business-type activities:</b>							
Water	10,190,162	8,036,232	-	302,500	-	(1,851,430)	(1,851,430)
Wastewater	19,132,356	14,940,959	-	-	-	(4,191,397)	(4,191,397)
Electric	69,806,273	67,363,842	-	761,720	-	(1,680,711)	(1,680,711)
Total business-type activities	<u>99,128,791</u>	<u>90,341,033</u>	<u>-</u>	<u>1,064,220</u>	<u>-</u>	<u>(7,723,538)</u>	<u>(7,723,538)</u>
Totals	<u>\$ 172,419,488</u>	<u>\$ 95,708,792</u>	<u>\$ 13,495,159</u>	<u>\$ 8,833,023</u>	<u>(46,658,976)</u>	<u>(7,723,538)</u>	<u>(54,382,514)</u>
<b>General receipts:</b>							
Property taxes					20,501,958	-	20,501,958
Other local sources					8,270,845	-	8,270,845
Bonds and loans					8,023,210	5,705,000	13,728,210
Grants and contributions not restricted to specific programs					2,056,495	-	2,056,495
Investment earnings					581,494	411,084	992,578
Transfers					530,172	(530,172)	-
Total general receipts and transfers					<u>39,964,174</u>	<u>5,585,912</u>	<u>45,550,086</u>
Change in net assets					(6,694,802)	(2,137,626)	(8,832,428)
Net assets - beginning					<u>17,422,086</u>	<u>35,277,017</u>	<u>52,699,103</u>
Net assets - ending					<u>\$ 10,727,284</u>	<u>\$ 33,139,391</u>	<u>\$ 43,866,675</u>
<b>Assets</b>							
Cash and investments					\$ 3,351,079	\$ 4,253,627	\$ 7,604,706
Cash with fiscal agent					1,127,637	6,310,680	7,438,317
Restricted assets:							
Cash and investments					<u>6,248,568</u>	<u>22,575,084</u>	<u>28,823,652</u>
Total assets					<u>\$ 10,727,284</u>	<u>\$ 33,139,391</u>	<u>\$ 43,866,675</u>
<b>Net Assets</b>							
Restricted for:							
Highways and streets					\$ 483,568	\$ -	\$ 483,568
Sanitation					150	-	150
Culture and recreation					199,557	-	199,557
Debt service					2,488,533	1,653,681	4,142,214
Other purposes					4,204,397	27,232,083	31,436,480
Unrestricted					<u>3,351,079</u>	<u>4,253,627</u>	<u>7,604,706</u>
Total net assets					<u>\$ 10,727,284</u>	<u>\$ 33,139,391</u>	<u>\$ 43,866,675</u>

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

CITY OF ANDERSON  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General	Nestle TIF Capital	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 12,227,541	\$ -	\$ 9,136,060	\$ 21,363,601
Licenses and permits	426,172	-	124,855	551,027
Intergovernmental	11,342,816	-	14,045,530	25,388,346
Charges for services	2,555,359	-	1,743,523	4,298,882
Fines and forfeits	94,705	-	343,617	438,322
Bonds and loans	6,948,503	-	1,074,707	8,023,210
Other	722,506	17,553	922,993	1,663,052
<b>Total receipts</b>	<b>34,317,602</b>	<b>17,553</b>	<b>27,391,285</b>	<b>61,726,440</b>
<b>Disbursements:</b>				
General government	6,434,522	-	3,759,689	10,194,211
Public safety	22,464,741	-	547,715	23,012,456
Highways and streets	1,591,270	-	2,522,121	4,113,391
Sanitation	2,648,910	-	6,025	2,654,935
Culture and recreation	-	-	3,001,795	3,001,795
Urban redevelopment and housing	-	-	1,971,197	1,971,197
Economic development	254,598	-	400,116	654,714
Debt service	1,800,000	-	6,013,198	7,813,198
Capital outlay	-	716,825	11,799,602	12,516,427
<b>Total disbursements</b>	<b>35,194,041</b>	<b>716,825</b>	<b>30,021,458</b>	<b>65,932,324</b>
Excess (deficiency) of receipts over disbursements	(876,439)	(699,272)	(2,630,173)	(4,205,884)
<b>Other financing sources (uses):</b>				
Other receipts	1,408,800	-	900,000	2,308,800
Other disbursements	-	-	(1,050,000)	(1,050,000)
Transfers in	2,125,000	-	6,517,609	8,642,609
Transfers out	(4,373,000)	(1,852,970)	(5,844,609)	(12,070,579)
<b>Total other financing sources (uses)</b>	<b>(839,200)</b>	<b>(1,852,970)</b>	<b>523,000</b>	<b>(2,169,170)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,715,639)	(2,552,242)	(2,107,173)	(6,375,054)
Cash and investment fund balance - beginning	2,030,529	2,552,242	9,483,378	14,066,149
Cash and investment fund balance - ending	\$ 314,890	\$ -	\$ 7,376,205	7,691,095
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:				
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				3,036,189
Net assets of governmental activities				<u>\$ 10,727,284</u>
<b>Cash and Investment Assets - December 31</b>				
Cash and investments	\$ 314,890	\$ -	\$ -	\$ 314,890
Cash with fiscal agent	-	-	1,127,637	1,127,637
Restricted assets:				
Cash and investments	-	-	6,248,568	6,248,568
<b>Total cash and investment assets - December 31</b>	<b>\$ 314,890</b>	<b>\$ -</b>	<b>\$ 7,376,205</b>	<b>\$ 7,691,095</b>
<b>Cash and Investment Fund Balance - December 31</b>				
Restricted for:				
Highways and streets	\$ -	\$ -	\$ 483,568	\$ 483,568
Sanitation	-	-	150	150
Culture and recreation	-	-	199,557	199,557
Debt service	-	-	2,488,533	2,488,533
Other purposes	-	-	4,204,397	4,204,397
Unrestricted	314,890	-	-	314,890
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 314,890</b>	<b>\$ -</b>	<b>\$ 7,376,205</b>	<b>\$ 7,691,095</b>

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

CITY OF ANDERSON  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2008

	Water Utility	Wastewater Utility	Electric Utility	Totals	Internal Service Funds
<b>Operating receipts:</b>					
Residential sales	\$ 4,761,113	\$ 9,097,198	\$ 28,187,854	\$ 42,046,165	\$ -
Commercial and industrial sales	2,228,466	4,574,812	32,961,819	39,765,097	-
Receipts from employer/employees	-	-	-	-	12,500,033
Other	1,046,653	1,268,949	6,214,169	8,529,771	140,555
<b>Total operating receipts</b>	<b>8,036,232</b>	<b>14,940,959</b>	<b>67,363,842</b>	<b>90,341,033</b>	<b>12,640,588</b>
<b>Operating disbursements:</b>					
Operations and maintenance	1,429,721	6,048,892	46,271,759	53,750,372	-
Transmission and distribution	5,435,370	7,565,341	11,775,205	24,775,916	-
Customer accounts	59,948	102,369	399,999	562,316	-
Administration and general	2,667,760	4,505,934	9,145,766	16,319,460	-
Benefits	-	-	-	-	13,472,282
<b>Total operating disbursements</b>	<b>9,592,799</b>	<b>18,222,536</b>	<b>67,592,729</b>	<b>95,408,064</b>	<b>13,472,282</b>
Deficiency of operating receipts over operating disbursements	(1,556,567)	(3,281,577)	(228,887)	(5,067,031)	(831,694)
<b>Nonoperating receipts (disbursements):</b>					
Bond proceeds	-	-	5,705,000	5,705,000	-
Investment earnings	106,754	210,582	93,748	411,084	211,486
Debt service	(1,350,258)	(2,163,573)	(3,865,038)	(7,378,869)	-
<b>Total nonoperating receipts (disbursements)</b>	<b>(1,243,504)</b>	<b>(1,952,991)</b>	<b>1,933,710</b>	<b>(1,262,785)</b>	<b>211,486</b>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(2,800,071)	(5,234,568)	1,704,823	(6,329,816)	(620,208)
Capital contributions	302,500	-	761,720	1,064,220	-
Transfers in	1,335,850	2,908,500	3,464,720	7,709,070	700,000
Transfers out	(325,000)	(1,647,600)	(2,608,500)	(4,581,100)	(400,000)
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(1,486,721)	(3,973,668)	3,322,763	(2,137,626)	(320,208)
Cash and investment fund balance - beginning	8,413,373	19,133,951	7,729,693	35,277,017	3,356,397
Cash and investment fund balance - ending	<u>\$ 6,926,652</u>	<u>\$ 15,160,283</u>	<u>\$ 11,052,456</u>	<u>\$ 33,139,391</u>	<u>\$ 3,036,189</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	\$ 1,140,377	\$ 2,111,450	\$ 1,001,800	\$ 4,253,627	\$ 3,036,189
Cash with fiscal agent	676,170	-	5,634,510	6,310,680	-
Restricted assets:					
Cash and investments	5,110,105	13,048,833	4,416,146	22,575,084	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 6,926,652</u></b>	<b><u>\$ 15,160,283</u></b>	<b><u>\$ 11,052,456</u></b>	<b><u>\$ 33,139,391</u></b>	<b><u>\$ 3,036,189</u></b>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Debt service	\$ -	\$ 355,512	\$ 1,298,169	\$ 1,653,681	\$ -
Other purposes	5,786,275	12,693,321	8,752,487	27,232,083	-
Unrestricted	1,140,377	2,111,450	1,001,800	4,253,627	3,036,189
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 6,926,652</u></b>	<b><u>\$ 15,160,283</u></b>	<b><u>\$ 11,052,456</u></b>	<b><u>\$ 33,139,391</u></b>	<b><u>\$ 3,036,189</u></b>

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

CITY OF ANDERSON  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2008

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 1,041,603	
On-behalf	4,501,514	
Plan members	<u>14,599</u>	
Total contributions	<u>5,557,716</u>	
Investment earnings	<u>(277,918)</u>	
Agency fund additions	<u>-</u>	
Total additions	<u>5,279,798</u>	
Deductions:		
Benefits	6,469,339	
Administrative and general	37,958	
Agency fund deductions	<u>-</u>	
Total deductions	<u>6,507,297</u>	
Excess (deficiency) of total additions over total deductions	(1,227,499)	
Other financing sources (uses):		
Other receipts	1,656,979	
Other disbursements	(1,196,270)	
Transfers out	<u>(1,408,800)</u>	
Deficiency of additions, other receipts over other disbursements and transfers out	(2,175,590)	
Cash and investment fund balance - beginning	<u>5,049,366</u>	
Cash and investment fund balance - ending	<u>\$ 2,873,776</u>	<u>\$ 1,373,735</u>

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

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Anderson (primary government) was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, electric, water, wastewater, economic development, and urban redevelopment and housing.

The accompanying financial statements present the activities of the City and its significant component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the City.

Blended Component Units

The Anderson Redevelopment Authority is a significant blended component unit of the City. The City entered into an agreement with the Redevelopment Authority for the purpose of financing the construction of a police station building and other related improvements. The City appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the City and the Redevelopment Authority. Although it is legally separate from the City, the Redevelopment Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.

The City of Anderson Redevelopment Authority is included as a Nonmajor Debt Service Fund (Police Station Sinking) to account for the retirement of debt activity and a Nonmajor Capital Projects Fund (Police Station Project) to account for construction related expenditures.

Complete financial information for the component unit can be obtained from the City's administrative office:

City of Anderson  
Economic Development Department  
Anderson Redevelopment Authority  
Post Office Box 2100  
Anderson, IN 46018

The Anderson City Fire Station Building Corporation is a significant blended component unit of the City. The City entered into an agreement with the Fire Station Building Corporation for the purpose of financing the construction of a fire station building and other related improvements. The City appoints a voting majority of the Fire Station Building Corporation's board and a financial benefit/burden relationship exists between the City and the Fire Station Building Corporation. Although it is legally separate from the City, the Fire Station Building Corporation is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.

The Anderson City Fire Station Building Corporation is included as a Nonmajor Debt Service Fund (Fire Station Sinking) to account for the retirement of debt activity.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Complete financial information for the component unit can be obtained from the City's administrative office:

City of Anderson  
Controller's Office  
Anderson City Fire Station Building Corporation  
120 East 8<sup>th</sup> Street  
Anderson, IN 46018

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The primary government appoints the board members of the Anderson Housing Authority.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The nestle TIF capital fund accounts for financial resources related to improvements for the Nestle project.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The electric utility fund accounts for the operation of the electric distribution system.

Additionally, the City reports the following fund types:

The internal service fund accounts for health and worker's compensation insurance provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for individuals, private organizations and other governments. The following agency funds are reported by the City: civil city payroll, city clerk, court costs due county, and waived barrett law.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk. At December 31, 2008, the City had deposit balances in the amount of \$14,170,954. Of this amount, the following was exposed to custodial credit risk:

Uninsured deposits collateralized with securities held by the pledging financial institution	<u>\$ 8,466,109</u>
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The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

As of December 31, 2008, the City had the following investments:

Investment Type	Market Value
U.S. treasuries and securities	\$ 716,831
Government sponsored entities	17,167,809
Mutual funds	11,254,408
Investment pool	9,082,510
Total	\$ 38,221,558

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the City to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the City were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent in the government's name:

Investment Type	In the Government's Name
U.S. treasuries and securities	\$ 716,831
Government sponsored entities	17,167,809
Total	\$ 17,884,640

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk for investments.

Investment Type	Investment Maturities (in years)	
	Less Than 1	Unclassified
U.S. treasuries and securities	\$ 716,831	\$ -
Government sponsored entities	17,167,809	-
Mutual funds	11,254,408	-
Investment pool	-	9,082,510
Totals	\$ 29,139,048	\$ 9,082,510

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The City does not have a formal investment policy for credit risk for investments.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Standard and Poor's Rating	Moody's Rating	City's Investments		
		Mutual Funds	Government Sponsored Enterprise	Investment Pools
AAA	Aaa	\$ 11,252,151	\$ 17,167,809	\$ -
Unrated	Unrated	2,257	-	9,082,510
Totals		<u>\$ 11,254,408</u>	<u>\$ 17,167,809</u>	<u>\$ 9,082,510</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The City held the following investments that were exposed to concentration of credit risk:

<u>Issuer</u>	
FNMA	\$ 1,676,821
FHLB	15,285,000
FHLMC	<u>205,988</u>
Total	<u>\$ 17,167,809</u>

Foreign Currency Risk

The City does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Transfer From	Transfer To	2008
General	Water Utility	\$ 650,000
	Wastewater Utility	625,000
	Other governmental	3,098,000
Nestle TIF Capital	Electric Utility	1,852,970
Water Utility	Electric Utility	325,000
Wastewater Utility	Water Utility	360,850
	Electric Utility	1,286,750
Electric Utility	Water Utility	325,000
	Wastewater Utility	2,283,500
Other governmental	General	2,125,000
	Other governmental	3,019,609
	All others	700,000
All others	Other governmental	400,000
Total		<u>\$ 17,051,679</u>

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The City is 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 (excluding postemployment benefits); and natural disasters.

The risks errors and omissions, as related to official bonds are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Torts; Theft of, Damage to and Destruction of Assets; Errors and Omissions; Job Related Illness or Injuries to Employees; and Natural Disasters

The primary government has chosen to establish a risk financing fund for risks associated with torts; theft of, damage to and destruction of assets; errors and omissions; job related illness or injuries to employees (workers' compensation benefits) and natural disasters. The risk financing fund is accounted for in the Insurance Loss Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$150,000 per incident and in excess of \$850,000 in aggregate per year of loss. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. An annual premium is charged to each fund for the annual aggregate amount not covered by the commercial insurance excess policy.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred.

Changes in the balance of claim liabilities are as follows:

	2007	2008
Unpaid claims, beginning of fiscal year	\$ 150,401	\$ 200,000
Incurred claims and changes in estimates	385,152	911,254
Claim payments	335,553	414,077
Unpaid claims, end of fiscal year	\$ 200,000	\$ 697,177

Medical Benefits to Employees (Excluding Postemployment Benefits)

The City has chosen to establish a risk-financing fund for risks associated with the medical expenses of its' employees. The risk-financing fund is accounted for in the Medical Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$175,000 for out of pocket expenses per year per individual and a group aggregate amount of \$8,100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A monthly premium is charged to each fund that accounts for employee payroll based upon the number of employees participating.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred.

Changes in the balance of claim liabilities are as follows:

	2007	2008
Unpaid claims, beginning of fiscal year	\$ 1,087,664	\$ 648,317
Incurred claims and changes in estimates	9,274,913	13,422,813
Claim payments	9,714,260	11,932,312
Unpaid claims, end of fiscal year	\$ 648,317	\$ 2,138,818

B. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund and the 1937 Firefighters' Fund. For property taxes due and payable after December 31, 2008, the Indiana Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Conduit Debt Obligation

From time to time, the City has issued Economic Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2008, there were ten series of bonds outstanding with an aggregate principal amount payable of \$55,601,678. The aggregate principal amount payable for the 1998A series could not be determined; however, their original issue amount totaled \$8,500,000.

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

City of Anderson Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City. The plan provides health care benefits to eligible retirees and their spouses. City Ordinance 78-89 establishes the benefit provisions.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Common Council. For the year ended December 31, 2008, the City contributed \$1,796,136 to the plan. Plan members receiving benefits contributed \$53,542, or approximately 43% of the total premiums, through their required contribution of \$46 per month for retiree-only coverage and \$798 for retiree and spouse coverage.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Annual required contribution	\$ 6,408,676
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	-
Annual OPEB cost	6,408,676
Contributions made	1,796,136
	-
Increase (decrease) in net OPEB obligation	4,612,540
Net OPEB obligation, beginning of year	-
	-
Net OPEB obligation, end of year	\$ 4,612,540

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-08	\$ 6,408,676	28%	\$ 4,612,540

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$80,571,233, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$80,571,233.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedules of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

In the December 31, 2008, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 4.5% after 10 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

E. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Utility on December 20, 2006.

Wastewater Utility

The current rate structure was approved by the Utility on October 10, 2002.

Electric Utility

The current rate structure was approved by the Utility on August 20, 2008.

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 1,853,179	\$ 3,845,500	\$ 3,154,800
Interest on net pension obligation	(137,443)	1,243,000	1,261,300
Adjustment to annual required contribution	156,627	(1,568,300)	(1,591,300)
Annual pension cost	1,872,363	3,520,200	2,824,800
Contributions made	1,620,202	2,987,201	3,159,293
Increase (decrease) in net pension obligation	252,161	532,999	(334,493)
Net pension obligation, beginning of year	(1,895,767)	20,716,845	21,021,172
Net pension obligation, end of year	<u>\$ (1,643,606)</u>	<u>\$ 21,249,844</u>	<u>\$ 20,686,679</u>

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	6.75%	943%	1,413%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-08	01-01-08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

<u>Actuarial Assumptions</u>	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

\*2.75% converted members; 4% nonconverted members

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 1,490,747	103%	\$ (2,161,886)
	06-30-07	1,839,189	86%	(1,895,767)
	06-30-08	1,872,363	87%	(1,643,606)
1925 Police Officers' Pension Plan	12-31-06	3,117,900	94%	19,289,881
	12-31-07	3,422,400	58%	20,716,845
	12-31-08	3,520,200	85%	21,249,844
1937 Firefighters' Pension Plan	12-31-06	3,117,500	118%	21,162,980
	12-31-07	2,752,400	105%	21,021,172
	12-31-08	2,824,800	112%	20,686,679

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2008, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	118	139
Current active employees	4	2

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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:

CITY OF ANDERSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$2,146,727, \$2,075,633, and \$1,972,648, respectively, equal to the required contributions for each year.

G. Subsequent Events

In October 2009, the City issued \$10,465,000 Redevelopment District Tax Increment Revenue Bonds. The bonds were issued to retire \$10,000,000 of Bond Anticipation Notes Series 2006 which were issued for redevelopment projects within the City.

In October 2009, the City entered into a loan in the amount of \$1,500,000 to finance the White River Levee Construction Project. The loan is to be an obligation of the Wastewater Fund and to be repaid from Stormwater Department revenues.

On September 30, 2009, the City obtained a loan from the State Revolving Fund (SRF) in the amount of \$1,615,000 for the purpose of making upgrades to its wastewater treatment facility. Additionally, Bond Anticipation Note (BAN) financing was secured in the amount of \$6,000,000 in conjunction with the SRF loan. The BAN's were arranged through the State of Indiana utilizing American Recovery and Reinvestment Act (ARRA) funds. The BAN's bear no interest and are to be forgiven after a five-year period. The SRF loan and ARRA funds are to be accounted for in the Wastewater Utility Fund.

On September 30, 2009, the City secured Bond Anticipation Note (BAN) financing in the amount of \$1,373,200 for purposes of upgrading its Water Utility. The BAN's were arranged through the State of Indiana utilizing American Recovery and Reinvestment Act (ARRA) funds. The BAN's bear no interest and are to be forgiven after a 364 day period. The ARRA funds are to be accounted for in the Water Utility Fund.

CITY OF ANDERSON  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 26,193,203	\$ 34,084,349	\$ (7,891,146)	77%	\$ 22,641,458	(35%)
07-01-07	28,394,007	36,238,555	(7,844,548)	78%	22,593,011	(35%)
07-01-08	30,396,568	38,405,006	(8,008,438)	79%	23,499,023	(34%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 2,372,218	\$ 44,065,600	\$ (41,693,382)	5%	\$ 618,800	(6,738%)
01-01-04	2,723,260	46,872,400	(44,149,140)	6%	487,300	(9,060%)
01-01-05	2,766,400	44,810,600	(42,044,200)	6%	459,000	(9,160%)
01-01-06	3,007,199	45,750,200	(42,743,001)	7%	428,900	(9,966%)
01-01-07	2,451,388	49,616,100	(47,164,712)	5%	396,700	(11,889%)
01-01-08	1,412,869	50,919,100	(49,506,231)	3%	407,700	(12,143%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 2,540,220	\$ 45,462,800	\$ (42,922,580)	6%	\$ 1,149,800	(3,733%)
01-01-04	2,844,330	48,379,400	(45,535,070)	6%	795,200	(5,726%)
01-01-05	2,813,705	47,046,900	(44,233,195)	6%	737,700	(5,996%)
01-01-06	2,884,804	45,254,900	(42,370,096)	6%	632,100	(6,703%)
01-01-07	2,597,978	41,193,000	(38,595,022)	6%	260,000	(14,844%)
01-01-08	1,460,907	42,284,800	(40,823,893)	3%	223,300	(18,282%)

CITY OF ANDERSON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-03	\$ 5,164,000	17%	60%
	12-31-04	5,471,900	16%	32%
	12-31-05	3,294,000	24%	55%
	12-31-06	3,377,200	19%	60%
	12-31-07	3,703,500	4%	50%
	12-31-08	3,845,500	9%	69%
1937 Firefighters' Pension Plan	12-31-03	5,500,600	17%	61%
	12-31-04	5,724,600	16%	33%
	12-31-05	3,529,700	24%	55%
	12-31-06	3,412,600	35%	73%
	12-31-07	3,060,700	21%	74%
	12-31-08	3,154,800	22%	78%

CITY OF ANDERSON  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For The Year Ended December 31, 2008

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 17,901,000	\$ 17,901,000	\$ 12,227,541	\$ (5,673,459)
Licenses and permits	210,000	210,000	426,172	216,172
Intergovernmental	10,115,735	10,115,735	11,342,816	1,227,081
Charges for services	2,808,446	2,808,446	2,555,359	(253,087)
Fines and forfeits	106,200	106,200	94,705	(11,495)
Bonds and loans	-	-	6,948,503	6,948,503
Other	1,932,477	1,932,477	722,506	(1,209,971)
<b>Total revenues</b>	<b>33,073,858</b>	<b>33,073,858</b>	<b>34,317,602</b>	<b>1,243,744</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,807,509	6,646,279	6,098,474	547,805
Public safety	23,286,736	23,371,408	22,800,789	570,619
Highways and streets	1,833,538	1,776,575	1,591,270	185,305
Sanitation	2,650,000	2,650,000	2,648,910	1,090
Economic development	276,891	277,031	254,598	22,433
Debt service	-	-	1,800,000	(1,800,000)
<b>Total expenditures</b>	<b>34,854,674</b>	<b>34,721,293</b>	<b>35,194,041</b>	<b>(472,748)</b>
<b>Other financing sources (uses):</b>				
Other receipts	-	-	1,408,800	(1,408,800)
Transfers in	-	-	2,125,000	(2,125,000)
Transfers out	(814,000)	(766,537)	(4,373,000)	3,606,463
<b>Total other financing sources (uses)</b>	<b>(814,000)</b>	<b>(766,537)</b>	<b>(839,200)</b>	<b>72,663</b>
<b>Net change in fund balances</b>	<b>(2,594,816)</b>	<b>(2,413,972)</b>	<b>(1,715,639)</b>	<b>1,789,155</b>
<b>Fund balances - January 1</b>	<b>2,030,529</b>	<b>2,030,529</b>	<b>2,030,529</b>	<b>-</b>
<b>Fund balances - December 31</b>	<b>\$ (564,287)</b>	<b>\$ (383,443)</b>	<b>\$ 314,890</b>	<b>\$ 1,789,155</b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road and Street	Municipal Transportation	Airport	Community Development	Parks and Recreation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 250,124	\$ -	\$ 1,714,883
Licenses and permits	-	103,420	-	-	-	620
Intergovernmental	1,697,586	550,875	1,436,314	34,322	774,026	336,138
Charges for services	18,429	-	206,037	-	-	48,559
Fines and forfeits	-	-	-	-	-	-
Bonds and loans	-	-	-	106,747	-	596,182
Other	1,637	1,188	605	195,350	24,866	336,643
<b>Total receipts</b>	<b>1,717,652</b>	<b>655,483</b>	<b>1,642,956</b>	<b>586,543</b>	<b>798,892</b>	<b>3,033,025</b>
Disbursements:						
General government	-	-	2,322,498	665,983	-	-
Public safety	-	-	-	-	-	-
Highways and streets	1,769,003	753,118	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	2,577,968
Urban redevelopment and housing	-	-	-	-	785,859	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	106,980	-	420,000
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,769,003</b>	<b>753,118</b>	<b>2,322,498</b>	<b>772,963</b>	<b>785,859</b>	<b>2,997,968</b>
Excess (deficiency) of receipts over disbursements	(51,351)	(97,635)	(679,542)	(186,420)	13,033	35,057
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Transfers in	-	-	723,000	400,000	-	770,000
Transfers out	-	-	-	(200,000)	(9,109)	(900,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>723,000</b>	<b>200,000</b>	<b>(9,109)</b>	<b>(130,000)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(51,351)	(97,635)	43,458	13,580	3,924	(94,943)
Cash and investment fund balance - beginning	356,618	275,936	323,784	114,032	-	172,489
Cash and investment fund balance - ending	\$ 305,267	\$ 178,301	\$ 367,242	\$ 127,612	\$ 3,924	\$ 77,546
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	305,267	178,301	367,242	127,612	3,924	77,546
<b>Total cash and investment assets - December 31</b>	<b>\$ 305,267</b>	<b>\$ 178,301</b>	<b>\$ 367,242</b>	<b>\$ 127,612</b>	<b>\$ 3,924</b>	<b>\$ 77,546</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Highways and streets	\$ 305,267	\$ 178,301	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	77,546
Debt service	-	-	-	-	-	-
Other purposes	-	-	367,242	127,612	3,924	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 305,267</b>	<b>\$ 178,301</b>	<b>\$ 367,242</b>	<b>\$ 127,612</b>	<b>\$ 3,924</b>	<b>\$ 77,546</b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Park Nonreverting Operating	Operation Clean	Sanitary District Commission	Property Tax Abatement	City Court Probation	Local Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	725	-	20,090
Intergovernmental	36,467	-	55	-	-	-
Charges for services	371,706	-	-	-	-	22,321
Fines and forfeits	-	36,386	-	-	247,520	-
Bonds and loans	-	-	-	-	-	-
Other	34,582	-	-	-	-	-
<b>Total receipts</b>	<b>442,755</b>	<b>36,386</b>	<b>2,055</b>	<b>725</b>	<b>247,520</b>	<b>42,411</b>
Disbursements:						
General government	-	31,801	-	-	-	-
Public safety	-	-	-	-	310,169	50,817
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	6,025	-	-	-
Culture and recreation	423,827	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	2,232	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>423,827</b>	<b>31,801</b>	<b>6,025</b>	<b>2,232</b>	<b>310,169</b>	<b>50,817</b>
Excess (deficiency) of receipts over disbursements	<u>18,928</u>	<u>4,585</u>	<u>(3,970)</u>	<u>(1,507)</u>	<u>(62,649)</u>	<u>(8,406)</u>
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(20,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,072)	4,585	(3,970)	(1,507)	(62,649)	(8,406)
Cash and investment fund balance - beginning	<u>123,083</u>	<u>24,785</u>	<u>4,120</u>	<u>5,614</u>	<u>394,626</u>	<u>45,510</u>
Cash and investment fund balance - ending	<u>\$ 122,011</u>	<u>\$ 29,370</u>	<u>\$ 150</u>	<u>\$ 4,107</u>	<u>\$ 331,977</u>	<u>\$ 37,104</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>122,011</u>	<u>29,370</u>	<u>150</u>	<u>4,107</u>	<u>331,977</u>	<u>37,104</u>
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 122,011</u></b>	<b><u>\$ 29,370</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 4,107</u></b>	<b><u>\$ 331,977</u></b>	<b><u>\$ 37,104</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	150	-	-	-
Culture and recreation	122,011	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	29,370	-	4,107	331,977	37,104
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 122,011</u></b>	<b><u>\$ 29,370</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 4,107</u></b>	<b><u>\$ 331,977</u></b>	<b><u>\$ 37,104</u></b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Police - Vice Intelligence and Narcotics	Police Multi-Agency Narcotics Units	Building Nonreverting	Unsafe Building	Clean Air Nonreverting	Loan Guarantee Assistance Program
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	88,491	-	-	32,755	-
Charges for services	-	-	25	-	21,875	-
Fines and forfeits	-	-	-	14,495	-	-
Bonds and loans	-	-	-	-	-	-
Other	-	5,708	-	580	190	1,244
<b>Total receipts</b>	<b>-</b>	<b>94,199</b>	<b>25</b>	<b>15,075</b>	<b>54,820</b>	<b>1,244</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	130,471	-	15,121	31,416	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	115,919
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>130,471</b>	<b>-</b>	<b>15,121</b>	<b>31,416</b>	<b>115,919</b>
Excess (deficiency) of receipts over disbursements	-	(36,272)	25	(46)	23,404	(114,675)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(36,272)	25	(46)	23,404	(114,675)
Cash and investment fund balance - beginning	1,427	215,193	120	8,859	41,421	114,675
Cash and investment fund balance - ending	<u>\$ 1,427</u>	<u>\$ 178,921</u>	<u>\$ 145</u>	<u>\$ 8,813</u>	<u>\$ 64,825</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>1,427</u>	<u>178,921</u>	<u>145</u>	<u>8,813</u>	<u>64,825</u>	<u>-</u>
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 1,427</u></b>	<b><u>\$ 178,921</u></b>	<b><u>\$ 145</u></b>	<b><u>\$ 8,813</u></b>	<b><u>\$ 64,825</u></b>	<b><u>\$ -</u></b>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	<u>1,427</u>	<u>178,921</u>	<u>145</u>	<u>8,813</u>	<u>64,825</u>	<u>-</u>
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 1,427</u></b>	<b><u>\$ 178,921</u></b>	<b><u>\$ 145</u></b>	<b><u>\$ 8,813</u></b>	<b><u>\$ 64,825</u></b>	<b><u>\$ -</u></b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Grants and Donations	Court Administrative Fee	Court Supplemental Public Defender	Clerk Records Perpetuation	Firefighters Exam	Economic Development Revolving Loan
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	420,254	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	33,626	1,470	4,000	-	-
Bonds and loans	-	-	-	-	-	-
Other	24,381	-	-	-	2,250	179,625
<b>Total receipts</b>	<b>444,635</b>	<b>33,626</b>	<b>1,470</b>	<b>4,000</b>	<b>2,250</b>	<b>179,625</b>
Disbursements:						
General government	433,913	52,444	2,448	3,457	-	-
Public safety	-	-	-	-	4,175	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	320,985
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>433,913</b>	<b>52,444</b>	<b>2,448</b>	<b>3,457</b>	<b>4,175</b>	<b>320,985</b>
Excess (deficiency) of receipts over disbursements	10,722	(18,818)	(978)	543	(1,925)	(141,360)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Transfers in	-	-	-	-	-	9,109
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,109</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,722	(18,818)	(978)	543	(1,925)	(132,251)
Cash and investment fund balance - beginning	44,437	32,876	13,298	15,113	8,105	217,935
Cash and investment fund balance - ending	<u>\$ 55,159</u>	<u>\$ 14,058</u>	<u>\$ 12,320</u>	<u>\$ 15,656</u>	<u>\$ 6,180</u>	<u>\$ 85,684</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	55,159	14,058	12,320	15,656	6,180	85,684
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 55,159</u></b>	<b><u>\$ 14,058</u></b>	<b><u>\$ 12,320</u></b>	<b><u>\$ 15,656</u></b>	<b><u>\$ 6,180</u></b>	<b><u>\$ 85,684</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	55,159	14,058	12,320	15,656	6,180	85,684
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 55,159</u></b>	<b><u>\$ 14,058</u></b>	<b><u>\$ 12,320</u></b>	<b><u>\$ 15,656</u></b>	<b><u>\$ 6,180</u></b>	<b><u>\$ 85,684</u></b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	HOME	Law Enforcement Continuing Education Fee	Barrett Law Surplus	Redevelopment Commission Lease Rental	Rainy Day	Airport Nonreverting
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,095,084	-	-	-	48,399	-
Charges for services	-	-	-	-	-	9,753
Fines and forfeits	-	6,120	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Other	-	-	3,912	-	-	4,498
<b>Total receipts</b>	<b>1,095,084</b>	<b>6,120</b>	<b>3,912</b>	<b>-</b>	<b>48,399</b>	<b>14,251</b>
<b>Disbursements:</b>						
General government	-	-	1,087	-	240,810	5,248
Public safety	-	5,546	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	1,069,419	-	-	-	-	-
Economic development	-	-	-	76,899	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,069,419</b>	<b>5,546</b>	<b>1,087</b>	<b>76,899</b>	<b>240,810</b>	<b>5,248</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>25,665</b>	<b>574</b>	<b>2,825</b>	<b>(76,899)</b>	<b>(192,411)</b>	<b>9,003</b>
<b>Other financing sources (uses):</b>						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	(50,000)	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(50,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>25,665</b>	<b>574</b>	<b>(97,175)</b>	<b>(76,899)</b>	<b>(192,411)</b>	<b>9,003</b>
Cash and investment fund balance - beginning	9,171	30,685	97,175	132,375	270,451	-
Cash and investment fund balance - ending	<u>\$ 34,836</u>	<u>\$ 31,259</u>	<u>\$ -</u>	<u>\$ 55,476</u>	<u>\$ 78,040</u>	<u>\$ 9,003</u>
<u>Cash and Investment Assets - December 31</u>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	34,836	31,259	-	55,476	78,040	9,003
<b>Total cash and investment assets - December 31</b>	<b>\$ 34,836</b>	<b>\$ 31,259</b>	<b>\$ -</b>	<b>\$ 55,476</b>	<b>\$ 78,040</b>	<b>\$ 9,003</b>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	34,836	31,259	-	55,476	78,040	9,003
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 34,836</b>	<b>\$ 31,259</b>	<b>\$ -</b>	<b>\$ 55,476</b>	<b>\$ 78,040</b>	<b>\$ 9,003</b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Police Training	Corporation Bonds	Sanitary District Bonds	COIT Principal and Interest	COIT Reserve	Twenty-Ninth Street TIF Bond and Interest
Receipts:						
Taxes	\$ -	\$ 481,461	\$ 665,491	\$ -	\$ -	\$ 126,544
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,500	98,369	119,156	359,155	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Bonds and loans	-	8,863	362,915	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,500</b>	<b>588,693</b>	<b>1,147,562</b>	<b>359,155</b>	<b>-</b>	<b>126,544</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	922,059	1,474,562	359,555	-	83,270
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>922,059</b>	<b>1,474,562</b>	<b>359,555</b>	<b>-</b>	<b>83,270</b>
Excess (deficiency) of receipts over disbursements	<b>5,500</b>	<b>(333,366)</b>	<b>(327,000)</b>	<b>(400)</b>	<b>-</b>	<b>43,274</b>
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Transfers in	-	610,000	510,000	-	375,000	-
Transfers out	-	(217,000)	(225,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>393,000</b>	<b>285,000</b>	<b>-</b>	<b>375,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<b>5,500</b>	<b>59,634</b>	<b>(42,000)</b>	<b>(400)</b>	<b>375,000</b>	<b>43,274</b>
Cash and investment fund balance - beginning	-	36,548	47,465	1,964	4,594	-
Cash and investment fund balance - ending	<b>\$ 5,500</b>	<b>\$ 96,182</b>	<b>\$ 5,465</b>	<b>\$ 1,564</b>	<b>\$ 379,594</b>	<b>\$ 43,274</b>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	5,500	96,182	5,465	1,564	379,594	43,274
<b>Total cash and investment assets - December 31</b>	<b>\$ 5,500</b>	<b>\$ 96,182</b>	<b>\$ 5,465</b>	<b>\$ 1,564</b>	<b>\$ 379,594</b>	<b>\$ 43,274</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	96,182	5,465	1,564	379,594	43,274
Other purposes	5,500	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 5,500</b>	<b>\$ 96,182</b>	<b>\$ 5,465</b>	<b>\$ 1,564</b>	<b>\$ 379,594</b>	<b>\$ 43,274</b>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Redevelopment Bond and Interest	Redevelopment TIF Reserve	Police Station Sinking	Fire Station Sinking	Cumulative Capital Improvement
Receipts:					
Taxes	\$ 2,539,849	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	471,328
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Bonds and loans	-	-	-	-	-
Other	1,529	-	15,603	2,438	-
	<u>2,541,378</u>	<u>-</u>	<u>15,603</u>	<u>2,438</u>	<u>471,328</u>
Total receipts					
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	1,910,703	-	622,419	113,650	-
Capital outlay	-	-	-	-	644,719
	<u>1,910,703</u>	<u>-</u>	<u>622,419</u>	<u>113,650</u>	<u>644,719</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	<u>630,675</u>	<u>-</u>	<u>(606,816)</u>	<u>(111,212)</u>	<u>(173,391)</u>
Other financing sources (uses):					
Other receipts	-	-	-	-	-
Other disbursements	-	-	-	-	(100,000)
Transfers in	-	-	628,500	117,000	375,000
Transfers out	(628,500)	-	-	-	(635,000)
	<u>(628,500)</u>	<u>-</u>	<u>628,500</u>	<u>117,000</u>	<u>(360,000)</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,175	-	21,684	5,788	(533,391)
Cash and investment fund balance - beginning	45,622	834,171	885,813	167,201	644,058
Cash and investment fund balance - ending	<u>\$ 47,797</u>	<u>\$ 834,171</u>	<u>\$ 907,497</u>	<u>\$ 172,989</u>	<u>\$ 110,667</u>
<u>Cash and Investment Assets - December 31</u>					
Cash with fiscal agent	\$ 47,151	\$ -	\$ 907,497	\$ 172,989	\$ -
Restricted assets:					
Cash and investments	646	834,171	-	-	110,667
Total cash and investment assets - December 31	<u>\$ 47,797</u>	<u>\$ 834,171</u>	<u>\$ 907,497</u>	<u>\$ 172,989</u>	<u>\$ 110,667</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	47,797	834,171	907,497	172,989	-
Other purposes	-	-	-	-	110,667
Total cash and investment fund balance - December 31	<u>\$ 47,797</u>	<u>\$ 834,171</u>	<u>\$ 907,497</u>	<u>\$ 172,989</u>	<u>\$ 110,667</u>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	City Economic Development	Redevelopment Capital Improvement	Redevelopment TIF	Fire Building and Equipment	Redevelopment TIF Capital Bond
<b>Receipts:</b>					
Taxes	\$ 861,643	\$ -	\$ 2,494,065	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	78,996	1,941	74,746	-	-
Charges for services	-	-	-	1,044,818	-
Fines and forfeits	-	-	-	-	-
Bonds and loans	-	-	-	-	-
Other	16	25,100	61,032	-	-
<b>Total receipts</b>	<b>940,655</b>	<b>27,041</b>	<b>2,629,843</b>	<b>1,044,818</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	641,954	187,099	2,487,247	1,300,382	-
<b>Total disbursements</b>	<b>641,954</b>	<b>187,099</b>	<b>2,487,247</b>	<b>1,300,382</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	298,701	(160,058)	142,596	(255,564)	-
<b>Other financing sources (uses):</b>					
Other receipts	-	-	400,000	-	-
Other disbursements	-	-	(400,000)	-	-
Transfers in	-	-	2,000,000	-	-
Transfers out	(610,000)	-	(2,300,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(610,000)</b>	<b>-</b>	<b>(300,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(311,299)	(160,058)	(157,404)	(255,564)	-
Cash and investment fund balance - beginning	598,580	230,423	551,347	613,482	453,671
Cash and investment fund balance - ending	<u>\$ 287,281</u>	<u>\$ 70,365</u>	<u>\$ 393,943</u>	<u>\$ 357,918</u>	<u>\$ 453,671</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	287,281	70,365	393,943	357,918	453,671
<b>Total cash and investment assets - December 31</b>	<u>\$ 287,281</u>	<u>\$ 70,365</u>	<u>\$ 393,943</u>	<u>\$ 357,918</u>	<u>\$ 453,671</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	287,281	70,365	393,943	357,918	453,671
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 287,281</u>	<u>\$ 70,365</u>	<u>\$ 393,943</u>	<u>\$ 357,918</u>	<u>\$ 453,671</u>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Airport Grant	EDA Flagship	Sanitary District Construction	Certified Tech Park	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,136,060
Licenses and permits	-	-	-	-	124,855
Intergovernmental	5,824,007	461,566	-	-	14,045,530
Charges for services	-	-	-	-	1,743,523
Fines and forfeits	-	-	-	-	343,617
Bonds and loans	-	-	-	-	1,074,707
Other	-	16	-	-	922,993
<b>Total receipts</b>	<b>5,824,007</b>	<b>461,582</b>	<b>-</b>	<b>-</b>	<b>27,391,285</b>
<b>Disbursements:</b>					
General government	-	-	-	-	3,759,689
Public safety	-	-	-	-	547,715
Highways and streets	-	-	-	-	2,522,121
Sanitation	-	-	-	-	6,025
Culture and recreation	-	-	-	-	3,001,795
Urban redevelopment and housing	-	-	-	-	1,971,197
Economic development	-	-	-	-	400,116
Debt service	-	-	-	-	6,013,198
Capital outlay	5,221,516	461,566	354,349	500,770	11,799,602
<b>Total disbursements</b>	<b>5,221,516</b>	<b>461,566</b>	<b>354,349</b>	<b>500,770</b>	<b>30,021,458</b>
Excess (deficiency) of receipts over disbursements	602,491	16	(354,349)	(500,770)	(2,630,173)
<b>Other financing sources (uses):</b>					
Other receipts	-	-	-	500,000	900,000
Other disbursements	-	-	-	(500,000)	(1,050,000)
Transfers in	-	-	-	-	6,517,609
Transfers out	-	-	-	(50,000)	(5,844,609)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>523,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	602,491	16	(354,349)	(550,770)	(2,107,173)
Cash and investment fund balance - beginning	347,259	255	355,926	571,086	9,483,378
Cash and investment fund balance - ending	<u>\$ 949,750</u>	<u>\$ 271</u>	<u>\$ 1,577</u>	<u>\$ 20,316</u>	<u>\$ 7,376,205</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ 1,127,637
Restricted assets:					
Cash and investments	949,750	271	1,577	20,316	6,248,568
<b>Total cash and investment assets - December 31</b>	<u>\$ 949,750</u>	<u>\$ 271</u>	<u>\$ 1,577</u>	<u>\$ 20,316</u>	<u>\$ 7,376,205</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 483,568
Sanitation	-	-	-	-	150
Culture and recreation	-	-	-	-	199,557
Debt service	-	-	-	-	2,488,533
Other purposes	949,750	271	1,577	20,316	4,204,397
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 949,750</u>	<u>\$ 271</u>	<u>\$ 1,577</u>	<u>\$ 20,316</u>	<u>\$ 7,376,205</u>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 As of and for the Year Ended December 31, 2008

	Insurance Loss	Health Insurance	Totals
Operating receipts:			
Receipts from employer/employees	\$ 363,528	\$ 12,136,505	\$ 12,500,033
Other	<u>10,548</u>	<u>130,007</u>	<u>140,555</u>
Total operating receipts	<u>374,076</u>	<u>12,266,512</u>	<u>12,640,588</u>
Operating disbursements:			
Benefits	<u>791,375</u>	<u>12,680,907</u>	<u>13,472,282</u>
Deficiency of receipts over disbursements	<u>(417,299)</u>	<u>(414,395)</u>	<u>(831,694)</u>
Nonoperating receipts:			
Investment earnings	<u>-</u>	<u>211,486</u>	<u>211,486</u>
Deficiency of receipts over disbursements and nonoperating receipts	<u>(417,299)</u>	<u>(202,909)</u>	<u>(620,208)</u>
Other financing sources (uses):			
Transfers in	700,000	-	700,000
Transfers out	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
Deficiency of receipts and transfers in over disbursements and transfers out	<u>(117,299)</u>	<u>(202,909)</u>	<u>(320,208)</u>
Cash and investment fund balance - beginning	<u>247,404</u>	<u>3,108,993</u>	<u>3,356,397</u>
Cash and investment fund balance - ending	<u>\$ 130,105</u>	<u>\$ 2,906,084</u>	<u>\$ 3,036,189</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	<u>\$ 130,105</u>	<u>\$ 2,906,084</u>	<u>\$ 3,036,189</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Unrestricted	<u>\$ 130,105</u>	<u>\$ 2,906,084</u>	<u>\$ 3,036,189</u>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2008

	Police Pension	Fire Pension	Totals
Additions:			
Contributions:			
Employer	\$ 345,272	\$ 696,331	\$ 1,041,603
On-behalf	2,038,552	2,462,962	4,501,514
Plan members	<u>9,241</u>	<u>5,358</u>	<u>14,599</u>
Total contributions	<u>2,393,065</u>	<u>3,164,651</u>	<u>5,557,716</u>
Investment receipts:			
Net decrease in investments	<u>(130,913)</u>	<u>(147,005)</u>	<u>(277,918)</u>
Total additions	<u>2,262,152</u>	<u>3,017,646</u>	<u>5,279,798</u>
Deductions:			
Benefits	2,834,186	3,635,153	6,469,339
Administrative and general	<u>13,856</u>	<u>24,102</u>	<u>37,958</u>
Total deductions	<u>2,848,042</u>	<u>3,659,255</u>	<u>6,507,297</u>
Deficiency of total additions over total deductions	(585,890)	(641,609)	(1,227,499)
Other financing sources (uses):			
Other receipts	805,355	851,624	1,656,979
Other disbursements	(655,694)	(540,576)	(1,196,270)
Transfers out	<u>(602,290)</u>	<u>(806,510)</u>	<u>(1,408,800)</u>
Deficiency of additions, other receipts over other disbursements and transfers out	(1,038,519)	(1,137,071)	(2,175,590)
Cash and investment fund balance - beginning	<u>2,451,388</u>	<u>2,597,978</u>	<u>5,049,366</u>
Cash and investment fund balance - ending	<u>\$ 1,412,869</u>	<u>\$ 1,460,907</u>	<u>\$ 2,873,776</u>

CITY OF ANDERSON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	<u>Civil City Payroll</u>	<u>City Clerk</u>	<u>Court Costs Due County</u>	<u>Waivered Barrett Law</u>	<u>Totals</u>
Additions:					
Agency fund additions	\$ 13,627,893	\$ 1,244,379	\$ 43,406	\$ 38,252	\$ 14,953,930
Deductions:					
Agency fund deductions	<u>13,570,372</u>	<u>1,164,503</u>	<u>43,189</u>	<u>69,706</u>	<u>14,847,770</u>
Excess (deficiency) of total additions over total deductions	57,521	79,876	217	(31,454)	106,160
Cash and investment fund balance - beginning	<u>873,453</u>	<u>327,025</u>	<u>2,985</u>	<u>64,112</u>	<u>1,267,575</u>
Cash and investment fund balance - ending	<u>\$ 930,974</u>	<u>\$ 406,901</u>	<u>\$ 3,202</u>	<u>\$ 32,658</u>	<u>\$ 1,373,735</u>

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For The Year Ended December 31, 2008

<u>Function and Department</u>	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General government:				
Mayor:				
Personal services	\$ 117,193	\$ 117,193	\$ 109,056	\$ 8,137
Supplies	1,700	1,200	1,139	61
Other services and charges	29,350	29,262	25,674	3,588
Common council:				
Personal services	68,441	68,441	61,180	7,261
Other services and charges	18,000	10,000	20	9,980
Controller:				
Personal services	337,782	317,782	295,734	22,048
Supplies	4,100	4,400	4,025	375
Other services and charges	2,486,865	2,347,558	2,087,188	260,370
Capital outlay	5,500	5,500	4,523	977
Information services:				
Personal services	195,442	190,442	181,532	8,910
Other services and charges	96,860	99,525	92,610	6,915
City attorney:				
Personal services	136,517	136,517	118,993	17,524
Supplies	9,000	9,386	3,847	5,539
Other services and charges	79,950	35,950	6,969	28,981
Board of works:				
Personal services	85,926	85,926	85,529	397
Supplies	650	650	631	19
Other services and charges	568,200	664,036	646,753	17,283
City hall maintenance:				
Supplies	17,700	17,200	15,599	1,601
Other services and charges	88,050	76,050	70,352	5,698
Capital outlay	18,000	12,522	11,065	1,457
City clerk:				
Personal services	375,960	368,460	332,600	35,860
Supplies	6,754	5,814	2,750	3,064
Other services and charges	23,525	19,337	15,998	3,339
Capital outlay	5,000	3,188	2,534	654
City court:				
Personal services	439,092	424,092	379,720	44,372
Supplies	2,500	2,937	2,849	88
Other services and charges	27,125	27,125	25,285	1,840
Capital outlay	4,000	4,000	3,881	119
Council of governments:				
Other services and charges	32,000	32,000	32,000	-
Human relations:				
Personal services	191,122	188,922	186,451	2,471
Supplies	1,450	1,200	1,121	79
Other services and charges	7,305	6,755	2,780	3,975
Capital outlay	2,100	2,100	-	2,100
Personnel and insurance:				
Personal services	125,015	125,015	107,954	17,061
Public communications:				
Personal services	1,145,745	1,145,745	1,137,866	7,879
Supplies	6,670	6,670	3,767	2,903
Other services and charges	41,920	50,170	36,438	13,732
Capital outlay	5,000	3,209	2,061	1,148
Total general government	6,807,509	6,646,279	6,098,474	547,805

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For The Year Ended December 31, 2008  
 (continued)

<u>Function and Department</u>	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Building commissioner:				
Personal services	897,947	896,659	865,155	31,504
Supplies	28,100	28,100	27,661	439
Other services and charges	373,730	357,302	270,173	87,129
Capital outlay	4,100	55,400	29,671	25,729
Other	-	50	25	26
Weights and measures:				
Personal services	49,403	49,403	49,340	63
Supplies	3,000	3,000	2,737	263
Other services and charges	4,540	1,855	1,373	482
Capital outlay	5,000	5,000	5,000	-
Emergency management:				
Personal services	24,153	23,466	23,362	104
Supplies	8,300	7,729	6,764	965
Other services and charges	29,960	33,545	33,285	260
Capital outlay	42,000	41,000	40,993	7
Planning:				
Personal services	277,222	277,222	258,540	18,682
Supplies	4,100	4,100	2,402	1,698
Other services and charges	22,400	21,230	14,936	6,294
Capital outlay	4,000	28,484	2,966	25,518
Police department:				
Personal services	10,043,673	10,060,118	10,005,463	54,655
Supplies	413,024	406,864	398,941	7,923
Other services and charges	484,645	451,974	450,750	1,224
Capital outlay	69,480	69,744	69,744	-
Fire department:				
Personal services	9,251,558	9,324,039	9,059,583	264,456
Supplies	209,100	219,100	213,518	5,582
Other services and charges	377,808	364,808	354,226	10,582
Parking authority:				
Supplies	4,750	3,050	3,023	27
Other services and charges	69,878	68,878	63,487	5,391
Capital outlay	49,500	49,500	49,500	-
Animal shelter:				
Personal services	403,983	383,983	376,563	7,420
Supplies	49,250	49,350	45,504	3,846
Other services and charges	62,550	73,908	63,556	10,352
Capital outlay	19,582	11,258	11,258	-
Air management:				
Personal services	-	1,289	1,289	-
Total public safety	23,286,736	23,371,408	22,800,789	570,619

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For The Year Ended December 31, 2008  
 (continued)

<u>Function and Department</u>	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and streets:				
City engineer:				
Personal services	805,031	805,031	780,806	24,225
Supplies	148,257	152,041	132,531	19,510
Other services and charges	301,000	327,395	235,307	92,088
Capital outlay	209,000	170,687	125,611	45,076
Street department:				
Personal services	270,250	273,750	270,567	3,183
Supplies	-	17,000	16,947	53
Other services and charges	65,000	30,671	29,501	1,170
Capital outlay	35,000	-	-	-
Total highways and streets	1,833,538	1,776,575	1,591,270	185,305
Sanitation:				
Sanitation:				
Other services and charges	2,650,000	2,650,000	2,648,910	1,090
Total sanitation	2,650,000	2,650,000	2,648,910	1,090
Economic development:				
Economic development:				
Personal services	241,441	241,441	232,235	9,206
Supplies	3,000	3,000	2,110	890
Other services and charges	32,450	32,590	20,253	12,337
Total economic development	276,891	277,031	254,598	22,433
Debt service:				
Controller	-	-	1,800,000	(1,800,000)
Total general fund	\$ 34,854,674	\$ 34,721,293	\$ 35,194,041	\$ (472,748)

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	Motor Vehicle Highway				Local Road and Street			
Revenues:								
Licenses and permits	\$ 1,523,217	\$ 1,523,217	\$ 1,697,586	\$ 174,369	\$ 130,000	\$ 130,000	\$ 103,420	\$ (26,580)
Intergovernmental	-	-	-	-	558,757	558,757	550,875	(7,882)
Other	215,951	215,951	20,066	(195,885)	-	-	1,188	1,188
Total revenues	1,739,168	1,739,168	1,717,652	(21,516)	688,757	688,757	655,483	(33,274)
Expenditures:								
Current:								
Highways and streets:								
Personal services	983,477	1,195,033	1,181,938	(13,095)	-	-	-	-
Supplies	276,800	265,302	265,299	(3)	570,000	385,000	384,998	(2)
Other services and charges	249,967	139,607	139,435	(172)	107,500	107,500	67,175	(40,325)
Capital outlay	216,500	182,331	182,331	-	125,000	310,000	300,945	(9,055)
Total expenditures	1,726,744	1,782,273	1,769,003	(13,270)	802,500	802,500	753,118	(49,382)
Net change in fund balances	12,424	(43,105)	(51,351)	(8,246)	(113,743)	(113,743)	(97,635)	16,108
Fund balances - beginning	356,618	356,618	356,618	-	275,936	275,936	275,936	-
Fund balances - December 31	\$ 369,042	\$ 313,513	\$ 305,267	\$ (8,246)	\$ 162,193	\$ 162,193	\$ 178,301	\$ 16,108
	Municipal Transportation				Airport			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 460,000	\$ 460,000	\$ 250,124	\$ (209,876)
Intergovernmental	1,375,081	1,375,081	1,436,314	61,233	248,008	248,008	34,322	(213,686)
Other	186,000	186,000	206,642	20,642	-	-	195,350	195,350
Total revenues	1,561,081	1,561,081	1,642,956	81,875	708,008	708,008	479,796	(228,212)
Expenditures:								
Current:								
General government:								
Personal services	1,836,058	1,836,058	1,765,848	(70,210)	185,462	185,462	148,152	(37,310)
Supplies	346,500	346,943	294,191	(52,752)	28,518	27,778	27,334	(444)
Other services and charges	305,460	326,409	260,663	(65,746)	403,155	378,895	377,997	(898)
Capital outlay	-	127,160	1,696	(125,464)	105,641	130,641	112,500	(18,141)
Other disbursements	-	500	100	(400)	-	-	-	-
Total expenditures	2,488,018	2,637,070	2,322,498	(244,362)	722,776	722,776	665,983	(56,793)
Other financing sources (uses):								
Operating transfers in	785,000	785,000	723,000	(62,000)	-	-	506,747	506,747
Operating transfers out	-	-	-	-	-	-	(306,980)	(306,980)
Total other financing sources	785,000	785,000	723,000	(62,000)	-	-	199,767	199,767
Net change in fund balances	(141,937)	(290,989)	43,458	264,237	(14,768)	(14,768)	13,580	28,348
Fund balances - beginning	323,784	323,784	323,784	-	114,032	114,032	114,032	-
Fund balances - December 31	\$ 181,847	\$ 32,795	\$ 367,242	\$ 264,237	\$ 99,264	\$ 99,264	\$ 127,612	\$ 28,348

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	Community Development				Parks and Recreation			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000	\$ 1,714,883	\$ (985,117)
Intergovernmental	1,400,000	1,400,000	774,026	(625,974)	140,266	140,266	336,138	195,872
Other	850	850	24,866	24,016	241,336	241,336	982,004	740,668
Total revenues	1,400,850	1,400,850	798,892	(601,958)	3,081,602	3,081,602	3,033,025	(48,577)
Expenditures:								
Current:								
Economic development:								
Personal services	286,012	286,012	255,290	(30,722)	-	-	-	-
Supplies	6,000	6,000	2,567	(3,433)	-	-	-	-
Other services and charges	1,080,450	1,080,450	528,002	(552,448)	-	-	-	-
Capital outlay	1,000	1,000	-	(1,000)	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	1,868,934	1,867,358	1,866,158	(1,200)
Supplies	-	-	-	-	178,281	170,281	169,086	(1,195)
Other services and charges	-	-	-	-	436,224	420,278	825,341	405,063
Capital outlay	-	-	-	-	234,022	139,544	137,383	(2,161)
Total expenditures	1,373,462	1,373,462	785,859	(587,603)	2,717,461	2,597,461	2,997,968	400,507
Other financing sources (uses):								
Operating transfers in	-	-	-	-	-	-	770,000	770,000
Operating transfers out	-	-	(9,109)	(9,109)	-	-	(900,000)	(900,000)
Total other financing sources (uses)	-	-	(9,109)	(9,109)	-	-	(130,000)	(130,000)
Net change in fund balances	27,388	27,388	3,924	(23,464)	364,141	484,141	(94,943)	(579,084)
Fund balances - beginning	-	-	-	-	172,489	172,489	172,489	-
Fund balances - December 31	\$ 27,388	\$ 27,388	\$ 3,924	\$ (23,464)	\$ 536,630	\$ 656,630	\$ 77,546	\$ (579,084)
	Park Non-reverting Operating				Sanitary District Commission			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 2,000	\$ (3,000)
Intergovernmental	425,000	425,000	36,467	(388,533)	-	-	55	55
Other	563,500	563,500	406,288	(157,212)	-	-	-	-
Total revenues	988,500	988,500	442,755	(545,745)	5,000	5,000	2,055	(2,945)
Expenditures:								
Current:								
Sanitation:								
Personal services	-	-	-	-	6,750	6,750	6,025	(725)
Culture and recreation:								
Personal services	258,410	213,410	213,188	(222)	-	-	-	-
Supplies	175,000	128,200	116,629	(11,571)	-	-	-	-
Other services and charges	399,000	79,000	76,445	(2,555)	-	-	-	-
Capital outlay	155,000	21,000	17,565	(3,435)	-	-	-	-
Total expenditures	987,410	441,610	423,827	(17,783)	6,750	6,750	6,025	(725)
Other financing sources (uses):								
Operating transfers out	-	-	(20,000)	(20,000)	-	-	-	-
Total other financing sources (uses)	-	-	(20,000)	(20,000)	-	-	-	-
Net change in fund balances	1,090	546,890	(1,072)	(547,962)	(1,750)	(1,750)	(3,970)	(2,220)
Fund balances - beginning	123,083	123,083	123,083	-	4,120	4,120	4,120	-
Fund balances - December 31	\$ 124,173	\$ 669,973	\$ 122,011	\$ (547,962)	\$ 2,370	\$ 2,370	\$ 150	\$ (2,220)

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	City Court Probation				Local Law Enforcement Continuing Education			
Revenues:								
Other	\$ 401,000	\$ 401,000	\$ 247,520	\$ (153,480)	\$ 48,350	\$ 48,350	\$ 42,411	\$ (5,939)
Total revenues	401,000	401,000	247,520	(153,480)	48,350	48,350	42,411	(5,939)
Expenditures:								
Current:								
Public safety:								
Personal services	282,663	282,663	258,665	(23,998)	-	-	-	-
Supplies	5,000	5,000	1,587	(3,413)	21,200	31,297	25,169	(6,128)
Other services and charges	42,275	42,587	35,807	(6,780)	49,200	49,200	23,607	(25,593)
Capital outlay	20,000	20,457	14,110	(6,347)	3,400	3,400	2,041	(1,359)
Total expenditures	349,938	350,707	310,169	(40,538)	73,800	83,897	50,817	(33,080)
Net change in fund balances	51,062	50,293	(62,649)	(112,942)	(25,450)	(35,547)	(8,406)	27,141
Fund balances - beginning	394,626	394,626	394,626	-	45,510	45,510	45,510	-
Fund balances - December 31	\$ 445,688	\$ 444,919	\$ 331,977	\$ (112,942)	\$ 20,060	\$ 9,963	\$ 37,104	\$ 27,141

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	Clean Air Non-Reverting				Clerk Records Perpetuation Fund			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	29,000	29,000	32,755	3,755	-	-	-	-
Other	5,114	5,114	22,065	16,951	4,816	4,816	4,000	(816)
Total revenues	34,114	34,114	54,820	20,706	4,816	4,816	4,000	(816)
Expenditures:								
Current:								
Public safety:								
Personal services	32,093	32,821	29,761	(3,060)	-	-	-	-
Supplies	-	500	-	(500)	1,600	1,600	368	(1,232)
Other services and charges	7,564	7,614	1,655	(5,959)	3,500	3,500	3,089	(411)
Capital outlay	250	250	-	(250)	2,000	2,000	-	(2,000)
Total expenditures	39,907	41,185	31,416	(9,769)	7,100	7,100	3,457	(3,643)
Net change in fund balances	(5,793)	(7,071)	23,404	30,475	(2,284)	(2,284)	543	2,827
Fund balances - beginning	41,421	41,421	41,421	-	15,113	15,113	15,113	-
Fund balances - December 31	\$ 35,628	\$ 34,350	\$ 64,825	\$ 30,475	\$ 12,829	\$ 12,829	\$ 15,656	\$ 2,827

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	Corporation Bonds				Twenty-Ninth Street TIF Bond and Interest			
Revenues:								
Taxes	\$ 800,000	\$ 800,000	\$ 481,461	\$ (318,539)	\$ 113,750	\$ 113,750	\$ 126,544	\$ 12,794
Intergovernmental	75,200	75,200	98,369	23,169	-	-	-	-
Other	-	-	8,863	8,863	-	-	-	-
Total revenues	875,200	875,200	588,693	(286,507)	113,750	113,750	126,544	12,794
Expenditures:								
Current:								
General government:								
Other services and charges	870,123	870,123	922,059	51,936	83,270	83,270	83,270	-
Total expenditures	870,123	870,123	922,059	51,936	83,270	83,270	83,270	-
Other financing sources (uses):								
Operating transfers in	-	-	610,000	610,000	-	-	-	-
Operating transfers out	-	-	(217,000)	(217,000)	-	-	-	-
Total other financing sources (uses)	-	-	393,000	393,000	-	-	-	-
Net change in fund balances	5,077	5,077	59,634	54,557	30,480	30,480	43,274	12,794
Fund balances - beginning	36,548	36,548	36,548	-	83,270	83,270	-	-
Fund balances - December 31	\$ 41,625	\$ 41,625	\$ 96,182	\$ 54,557	\$ 113,750	\$ 113,750	\$ 43,274	\$ 12,794
	Sanitary District Bonds				COIT Principal and Interest			
Revenues:								
Taxes	\$ 1,180,000	\$ 1,180,000	\$ 665,491	\$ (514,509)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	84,800	84,800	119,156	34,356	359,955	359,955	359,155	(800)
Other	-	-	362,915	362,915	-	-	-	-
Total revenues	1,264,800	1,264,800	1,147,562	(117,238)	359,955	359,955	359,155	(800)
Expenditures:								
Current:								
General government:								
Other services and charges	1,255,762	1,255,762	1,473,262	217,500	359,955	360,855	359,155	(1,700)
Other disbursements	-	-	1,300	1,300	-	-	400	400
Total expenditures	1,255,762	1,255,762	1,474,562	218,800	359,955	360,855	359,555	(1,300)
Other financing sources (uses):								
Operating transfers in	-	-	510,000	510,000	-	-	-	-
Operating transfers out	-	-	(225,000)	(225,000)	-	-	-	-
Total other financing sources (uses)	-	-	285,000	285,000	-	-	-	-
Net change in fund balances	9,038	9,038	(42,000)	(51,038)	-	(900)	(400)	500
Fund balances - beginning	47,456	47,465	47,465	-	1,964	1,964	1,964	-
Fund balances - December 31	\$ 56,494	\$ 56,503	\$ 5,465	\$ (51,038)	\$ 1,964	\$ 1,064	\$ 1,564	\$ 500

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	<u>Redevelopment Bond and Interest</u>				<u>Cumulative Capital Improvement</u>			
Revenues:								
Taxes	\$ 910,000	\$ 910,000	\$ 2,539,849	\$ 1,629,849	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	195,000	195,000	194,257	(743)
Other	-	-	1,529	1,529	385,000	385,000	277,071	(107,929)
Total revenues	<u>910,000</u>	<u>910,000</u>	<u>2,541,378</u>	<u>1,631,378</u>	<u>580,000</u>	<u>580,000</u>	<u>471,328</u>	<u>(108,672)</u>
Expenditures:								
Current:								
General government:								
Other services and charges	1,753,164	2,539,203	1,907,703	(631,500)	385,000	489,151	346,089	(143,062)
Capital outlay	-	-	-	-	640,000	815,889	298,630	(517,259)
Other disbursements	-	-	3,000	3,000	-	-	-	-
Total expenditures	<u>1,753,164</u>	<u>2,539,203</u>	<u>1,910,703</u>	<u>(628,500)</u>	<u>1,025,000</u>	<u>1,305,040</u>	<u>644,719</u>	<u>(660,321)</u>
Other financing sources (uses):								
Other disbursements	-	-	-	-	-	-	(100,000)	(100,000)
Operating transfers in	-	-	-	-	-	-	375,000	375,000
Operating transfers out	-	-	(628,500)	(628,500)	-	-	(635,000)	(635,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(628,500)</u>	<u>(628,500)</u>	<u>-</u>	<u>-</u>	<u>(360,000)</u>	<u>(360,000)</u>
Net change in fund balances	(843,164)	(1,629,203)	2,175	1,631,378	(445,000)	(725,040)	(533,391)	191,649
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>45,622</u>	<u>45,622</u>	<u>644,058</u>	<u>644,058</u>	<u>644,058</u>	<u>-</u>
Fund balances - December 31	<u>\$ (843,164)</u>	<u>\$ (1,629,203)</u>	<u>\$ 47,797</u>	<u>\$ 1,677,000</u>	<u>\$ 199,058</u>	<u>\$ (80,982)</u>	<u>\$ 110,667</u>	<u>\$ 191,649</u>
	<u>City Economic Development</u>				<u>Redevelopment Capital Improvement</u>			
Revenues:								
Taxes	\$ 600,000	\$ 600,000	\$ 861,643	\$ 261,643	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	78,996	78,996	-	-	1,941	1,941
Other	-	-	16	16	25,100	25,100	25,100	-
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>940,655</u>	<u>340,655</u>	<u>25,100</u>	<u>25,100</u>	<u>27,041</u>	<u>1,941</u>
Expenditures:								
Current:								
Economic development:								
Personal services	-	142,708	97,957	(44,751)	-	-	12,646	12,646
Supplies	-	-	267,616	267,616	-	-	-	-
Other services and charges	364,000	575,000	-	(575,000)	18,750	18,750	-	(18,750)
Capital outlay	365,000	28,966	17,766	(11,200)	20,000	178,796	174,453	(4,343)
Other disbursements	-	-	258,615	258,615	-	-	-	-
Total expenditures	<u>729,000</u>	<u>746,674</u>	<u>641,954</u>	<u>(104,720)</u>	<u>38,750</u>	<u>197,546</u>	<u>187,099</u>	<u>(10,447)</u>
Other financing sources (uses):								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	(610,000)	(610,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(610,000)</u>	<u>(610,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(129,000)	(146,674)	(311,299)	(164,625)	(13,650)	(172,446)	(160,058)	12,388
Fund balances - beginning	<u>598,580</u>	<u>598,580</u>	<u>598,580</u>	<u>-</u>	<u>230,423</u>	<u>230,423</u>	<u>230,423</u>	<u>-</u>
Fund balances - December 31	<u>\$ 469,580</u>	<u>\$ 451,906</u>	<u>\$ 287,281</u>	<u>\$ (164,625)</u>	<u>\$ 216,773</u>	<u>\$ 57,977</u>	<u>\$ 70,365</u>	<u>\$ 12,388</u>

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
	<u>Redevelopment TIF</u>				<u>Fire Building and Equipment</u>			
Revenues:								
Taxes	\$ 1,950,000	\$ 1,950,000	\$ 2,494,065	\$ 544,065	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	74,746	74,746	-	-	-	-
Charges for Services	-	-	-	-	1,103,000	1,103,000	1,044,818	(58,182)
Other	-	-	61,032	61,032	-	-	-	-
Total revenues	<u>1,950,000</u>	<u>1,950,000</u>	<u>2,629,843</u>	<u>679,843</u>	<u>1,103,000</u>	<u>1,103,000</u>	<u>1,044,818</u>	<u>(58,182)</u>
Expenditures:								
Current:								
Public safety:								
Supplies	-	-	-	-	50,000	110,710	105,524	(5,186)
Other services and charges	-	-	-	-	45,000	45,000	43,716	(1,284)
Capital outlay	-	-	-	-	1,299,500	1,247,134	1,146,381	(100,753)
Other disbursements	-	-	-	-	-	10,000	4,761	(5,239)
Economic development:								
Capital outlay	<u>2,500,000</u>	<u>6,157,145</u>	<u>2,487,247</u>	<u>(3,669,898)</u>	-	-	-	-
Total expenditures	<u>2,500,000</u>	<u>6,157,145</u>	<u>2,487,247</u>	<u>(3,669,898)</u>	<u>1,394,500</u>	<u>1,412,844</u>	<u>1,300,382</u>	<u>(112,462)</u>
Other financing sources (uses):								
Other receipts	-	-	400,000	400,000	-	-	-	-
Other disbursements	-	-	(400,000)	(400,000)	-	-	-	-
Operating transfers in	-	-	2,000,000	2,000,000	-	-	-	-
Operating transfers out	-	-	(2,300,000)	(2,300,000)	-	-	-	-
Total other financing sources (uses)	-	-	(300,000)	(300,000)	-	-	-	-
Net change in fund balances	(550,000)	(4,207,145)	(157,404)	4,049,741	(291,500)	(309,844)	(255,564)	54,280
Fund balances - beginning	<u>551,347</u>	<u>551,347</u>	<u>551,347</u>	-	<u>613,482</u>	<u>613,482</u>	<u>613,482</u>	-
Fund balances - December 31	<u>\$ 1,347</u>	<u>\$ (3,655,798)</u>	<u>\$ 393,943</u>	<u>\$ 4,049,741</u>	<u>\$ 321,982</u>	<u>\$ 303,638</u>	<u>\$ 357,918</u>	<u>\$ 54,280</u>

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2008

	Police Pension Fund				Fire Pension Fund			
Revenues:								
Taxes	\$ 620,000	\$ 620,000	\$ 345,272	\$ (274,728)	\$ 1,110,000	\$ 1,110,000	\$ 696,331	\$ (413,669)
Intergovernmental	2,165,100	2,165,100	30,582	(2,134,518)	2,467,500	2,467,500	100,271	(2,367,229)
Other	<u>196,500</u>	<u>196,500</u>	<u>1,886,298</u>	<u>1,689,798</u>	<u>75,200</u>	<u>75,200</u>	<u>2,221,044</u>	<u>2,145,844</u>
Total revenues	<u>2,981,600</u>	<u>2,981,600</u>	<u>2,262,152</u>	<u>(719,448)</u>	<u>3,652,700</u>	<u>3,652,700</u>	<u>3,017,646</u>	<u>(635,054)</u>
Expenditures:								
Current:								
General government:								
Supplies	300	300	-	(300)	1,000	1,000	-	(1,000)
Other services and charges	9,100	9,100	-	(9,100)	14,850	14,850	-	(14,850)
Capital outlay	300	300	-	(300)	2,000	2,000	-	(2,000)
Other disbursements	<u>2,977,489</u>	<u>2,977,489</u>	<u>2,848,042</u>	<u>(129,447)</u>	<u>3,704,987</u>	<u>3,704,987</u>	<u>3,659,255</u>	<u>(45,732)</u>
Total expenditures	<u>2,987,189</u>	<u>2,987,189</u>	<u>2,848,042</u>	<u>(139,147)</u>	<u>3,722,837</u>	<u>3,722,837</u>	<u>3,659,255</u>	<u>(63,582)</u>
Other financing sources (uses):								
Other receipts	-	-	805,355	-	-	-	851,624	-
Other disbursements	-	-	(655,694)	-	-	-	(540,576)	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>(602,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(806,510)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(452,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(495,462)</u>	<u>-</u>
Net change in fund balances	(5,589)	(5,589)	(1,038,519)	(580,301)	(70,137)	(70,137)	(1,137,071)	(571,472)
Fund balances - beginning	<u>614,808</u>	<u>614,808</u>	<u>2,451,388</u>	<u>-</u>	<u>589,067</u>	<u>589,067</u>	<u>2,597,978</u>	<u>-</u>
Fund balances - December 31	<u>\$ 609,219</u>	<u>\$ 609,219</u>	<u>\$ 1,412,869</u>	<u>\$ (580,301)</u>	<u>\$ 518,930</u>	<u>\$ 518,930</u>	<u>\$ 1,460,907</u>	<u>\$ (571,472)</u>

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Airport - 1992 Terminal & Hangar	\$ 455,544	\$ 53,495
Airport - 1997 Terminal & Hangar	200,000	61,000
Airport - Dixie Chopper Tractor Mower	12,775	5,436
Airport - New Hollad Tractor and Loader	2,500	2,519
Animal Shelter - 2005 Chevy Trucks (2)	10,769	11,258
Fire - Fire Tower	916,413	291,653
General - Police 2008 Ford Explorer	17,008	4,576
MAN Unit - Police 2009 (K-9) Dodge Chargers (2)	32,781	11,374
Park - 2008 Ford Explorer and 2008 F250 Truck	23,492	8,305
Park - Bleachers and Playground Equipment	136,791	27,044
Park Non-Revert - 2008 E-Z-Go Golf Carts (51)	137,500	29,875
Parking Authority - Elevators	136,301	49,355
Police - 2006 Chevy Impalas (8)	82,421	85,169
Police - 2008 Chevy Impalas (5)	110,062	58,119
Weights and Measures - 2008 Chevy Colorado Truck	12,256	6,535
Notes and loans payable	12,711,939	13,358,922
Bonds payable:		
General and special obligation bonds:		
Sanitary District Bonds of 1991	510,000	25,500
Fire Station First Mortgage Bonds of 1994	420,000	108,190
Sanitary District Refunding Bonds of 1998	680,000	471,965
County Option Income Tax Bonds of 1998	1,330,000	367,265
Park District Bonds of 1998	1,115,000	305,175
General Obligation Bonds of 2002	600,000	211,126
Redevelopment Tax Increment Bonds of 2002	5,415,000	532,176
Lease Rental Revenue Bonds of 2002	6,710,000	617,356
Park District Bonds of 2003	1,495,000	178,860
Economic Development Revenue Bonds of 2003	993,000	84,800
Sanitary District Bonds of 2004	8,570,000	743,590
Redevelopment Tax Increment Bonds of 2004	2,395,000	270,519
Economic Development Revenue Bonds of 2004	1,320,000	296,230
Economic Development Revenue Bonds of 2006A	9,028,349	-
<b>Total governmental activities debt</b>	<b>\$ 55,579,901</b>	<b>\$ 18,277,387</b>

CITY OF ANDERSON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Capital leases:		
Automated Meter Reading System	\$ 1,238,431	\$ 801,900
Revenue bonds:		
Waterworks Revenue Bonds of 2007	<u>4,945,000</u>	<u>395,890</u>
Total Water Utility	<u>6,183,431</u>	<u>1,197,790</u>
Wastewater Utility		
Notes and loans payable	57,382	59,631
Revenue bonds:		
Sewage Utility Improvement Bonds of 1998	1,615,000	199,370
Sewage Works Revenue Bonds of 2002	9,305,000	906,476
Sewage Works Revenue Bonds of 2007	<u>15,045,000</u>	<u>1,001,655</u>
Total Wastewater Utility	<u>26,022,382</u>	<u>2,167,132</u>
Electric Utility:		
Capital leases:		
Automated Meter Reading System	9,455,044	1,051,165
2008 Ford F350 Trucks (4)	79,237	41,821
Revenue bonds:		
Electric Utility Revenue Bonds of 2003	9,020,000	784,919
Electric Utility Refunding Revenue Bonds of 2007	1,800,000	956,500
Electric Utility Revenue Bonds of 2008A	1,705,000	1,358,400
Electric Utility Revenue Bonds of 2008B	<u>4,190,000</u>	<u>227,145</u>
Total Electric Utility	<u>26,249,281</u>	<u>4,419,950</u>
Total business-type activities debt	<u>\$ 58,455,094</u>	<u>\$ 7,784,872</u>

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS (Applies to Controller)

As similarly stated in several prior reports, most recently Report B32684, the depository reconciliation of the cash fund balances to the bank account balances was incorrect at December 31, 2008, as presented for audit. We noted cash long of \$88,069.53 at December 31, 2008. Additionally, depository reconciliations of the cash fund balances to the bank account balances were incomplete or inaccurate as presented for audit for the months of January through November of 2008. Officials have had difficulties performing bank reconciliations since converting to the present accounting software in 2004. Additionally, attempts to reconcile the accounts in the subsequent period has resulted in differing amounts of cash long and short at each month's end.

At the request of City officials, a representative from the software company reviewed the reconciliation process and accounting system reports for the purpose of making recommendations. Several items were noted, some requiring a software update and others requiring a change in procedures by system users.

On October 22, 2009, an upgrade to software was applied. This upgrade included patches designed to correct noted deficiencies which were the result of ongoing accounting software issues. Additionally, system users are now aware of procedures to correct input errors.

Compounding the difficulties in reconciling the cash fund balances to the bank account balances is the fact that the City did not close its fiscal year ended December 31, 2008, until June 9, 2009.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS (Applies to Controller)

As similarly stated in prior reports, most recently Report B32684, we noted where City capital asset records were not properly maintained. Capital asset records were incomplete and not reflective of the actual activity. Some assets were not included in the detailed asset list such as land valued under \$5,000. The capitalization policy calls for all land to be capitalized. We noted instances where assets

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

acquired through debt were not included in the detail. Also, some assets were removed from the detailed listing in early 2009 prior to the report for 2008 being generated. Some 2008 additions were not entered into the system until 2009. The construction in progress detail did not agree with the amounts included in the capital asset records. Additionally, some infrastructure was entered incorrectly in 2007 and has not been corrected.

Amounts presented as depreciation expense and accumulated depreciation were also incorrect. Depreciation expense calculations include depreciation for assets that have been fully depreciated in some instances.

The unit has not performed a physical inventory of its capital assets since 2006. The capital asset policy calls for an inventory to be conducted every two years.

During 2009, the City contracted with a private consultant to assist in inventorying capital assets and implementing a system which will allow records to be properly maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. 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)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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)

ANNUAL REPORT ERRORS (Applies to Controller)

The Annual City and Town Financial Report presented for audit was inaccurate and not reflective of the activity of the City. The records presented for audit contained numerous input errors to the beginning balances, receipts, disbursements, and ending balances.

Additionally, in late February 2009, the City filed and advertised its annual report as required. However, the accounting system in use by the City was not closed for 2008 until June 9, 2009. This resulted in discrepancies between the actual financial activity of the City, the information originally presented for audit, and the Annual City and Town Financial Report as filed and advertised.

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DISASTER GRANT REIMBURSEMENTS (Applies to Controller)

The City of Anderson was awarded a federal Disaster Grant for reimbursement of allowable costs incurred due to severe storms. During a test of supporting documents for amounts claimed we noted one reimbursement which contained three items which could not be properly substantiated.

The first item noted was reimbursed from a quote for lighting for a sports field in the amount of \$1,517.67. We found no evidence the amount claimed was actually incurred and paid by the City. The second item was reimbursed from an invoice in the amount of \$6,446.43 for work on the sports field press box which was paid by Anderson Community Schools, not the City. The third item is a printout of a work order for the City Electric Utility for labor for work done at the sports field in the amount of \$1,003.52, which could not be specifically linked to the disaster due to the lack of supporting documentation. The total of questioned reimbursements is \$8,967.62.

The City has since contacted State officials regarding the questioned reimbursements and have been instructed to submit a letter requesting these amounts be de-obligated since they were not actually incurred.

Additionally, other invoices attached to reimbursements tested lacked supporting documentation. Documents presented for audit substantiating amounts claimed lacked information stating when amounts incurred by the City were paid, the check number, the fund paid from or other identifying information.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

UNAUTHORIZED BANK ACCOUNT (Applies to Board of Aviation Commissioners)

In May 2007, an account was opened by the Airport that was to be used for the collection of fuel receipts and payment of fuel expenditures. The account was used to pay Airport related expenses. The opening of this account was not properly authorized. To open the account, a transfer was made from the City Municipal Transportation Fund by claim. Proper authority was not sought to perform a temporary transfer of cash between funds. The transfer amount totaled \$14,000. The account was closed with the balance of \$1,698.94 being receipted to the Airport Non-Reverting Fund on March 25, 2009. The money that was originally transferred from the Municipal Transportation Fund has not been repaid.

IC 8-22-2-7 concerning the establishment of a fuel rotary fund, states in part (c):

". . . The fiscal body of the entity may appropriate a sufficient amount as a rotary fund to be used by the board for the purchase of fuels and lubricants to be sold to the general public in the operation of the airport. All funds received from the sale of fuels and lubricants purchased with funds from a rotary fund shall be turned over at least once a month to the treasurer of the entity to remain in the rotary fund to be checked against by the board as other appropriations are disbursed, for the sole purpose of purchasing fuels and lubricants for sale to the public in the operation of the airport. At the end of each fiscal year, the board shall make a detailed statement to the fiscal body showing the amount of money received and paid over to the treasurer to the credit of the rotary fund and also showing the amount of fuels and lubricants on hand. If at the end of a fiscal year the accumulated rotary fund plus value of inventory of fuels and lubricants on hand exceeds the total previous appropriation to the fund by twenty-five percent (25%), the excess shall be turned over to the aviation fund. The board may incur obligations or liability of any sort on behalf of the entity only if it falls within the appropriation specifically made for that purpose. All money remaining in the treasury to the credit of the board at the end of the calendar year belongs to the general aviation fund to be used by the board for aviation purposes. All funds received by the board from whatever source, except funds received from the sale of fuels and lubricants purchased by funds from the rotary fund, shall be deposited in the treasury of the entity to the credit of the aviation fund."

IC 36-1-8-4 concerning temporary transfer, states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.

(4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
  - (A) A statement that the fiscal body has determined that an emergency exists.
  - (B) A brief description of the grounds for the emergency.
  - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

CONDITION OF RECORDS (Applies to Board of Aviation Commissioners)

The following was noted while auditing an unauthorized checking account maintained by the former Airport Manager:

- (1) The Airport Manager did not issue receipts or prepare claims;
- (2) Disbursements were not approved by the Board of Aviation Commissioners, as required;
- (3) No supporting documentation of receipts or disbursements was presented for audit;
- (4) No bank reconciliations were presented for audit; and
- (5) The cash balance of the fund was overdrawn and overdraft fees were incurred on the checking account.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

IC 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."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories." At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ACCOUNTS WRITE-OFF POLICY (Applies to Board of Aviation Commissioners)

A written, adopted policy for the handling of the write-off of bad debts and uncollectible accounts was not presented for audit.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

CONTRACTS (Applies to Board of Aviation Commissioners)

The Airport paid individuals to perform work for the Airport without a contract. These individuals should have been employees (and three were hired at least temporarily by the City in September of 2008). There is only one of these employees still with the City. No taxes were withheld from amounts paid to these individuals. Had they been properly treated as City employees, they would have been subject to the salary ordinance and withholding of various taxes on amounts earned. The amounts paid to these individuals were not properly approved and no taxes were withheld. Internal Revenue Service Form 1099 was issued for the amounts paid.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

MISSING FUNDS INVESTIGATION (Applies to Engineering Department)

According to a City of Anderson Police report: "On November 26, 2007 Michael Spyers, City Engineer filed a police report after discovering \$79 cash and three checks totaling \$50 missing from the City of Anderson Engineering Department. An employee of the engineering department, Misha L. Melson, admitted to taking the monies and later replacing the missing monies when the deposits were made to the controller's office." Additionally, the report states that \$134 cash and one \$20 check remains missing.

On January 31, 2008, an Anderson Police Department Officer prepared a probable cause affidavit for theft under IC 35-43-4-2 versus Misha L. Melson and forwarded it to the Madison County Prosecutor's Office.

Charges are pending in the cause of State v. Misha L. Melson in the Madison County Superior Court, Division IV (formerly County Court Division I) under cause number 48E01-0803-FD-00075. The case is set for trial by jury on February 13, 2010.

A similar comment appeared in prior Report B32687. The status of these proceedings will be reviewed by the State Board of Accounts during a subsequent audit of the City.

MISSING FUNDS INVESTIGATION (Applies to Street Department)

According to a City of Anderson Police report, "on 3/7/2008 an inquiry was launched into monies missing from the City of Anderson Street Department. According to sources, former street commissioner Nick Vores may have pocketed funds received from the Recycling Center, Inc. (Richmond, IN) as payment for scrap metal."

CITY OF ANDERSON  
AUDIT RESULTS AND COMMENTS  
(Continued)

The report further states that Recycling Center, Inc. (Center) provided a dump trailer for the City of Anderson Street Department. When the dumpster was near capacity, the Center would send a truck to exchange the dump trailer. The driver would provide the Street Department with a sequentially numbered ticket. Once the trailer had returned to the Center, the load was weighed and calculated for payment. A Center official explained that he would then visit the Street Department and make receipted cash payment for the disposal service. He further explained that the payments were made directly to Nick Vores, except on one occasion where he recalled leaving the cash and receipt with a secretary.

Per the Police report, based on evidence obtained from the Center since 2005, the Center paid from \$3,964 to \$4,054 to the City of Anderson for disposal of scrap metal. The total amount of monies receipted by the City of Anderson Controller's Office since 2005 is \$1,678. The difference of \$2,286 to \$2,376 remains missing per the report.

On April 18, 2008, an Anderson Police Department Officer prepared a probable cause affidavit for violation of IC 35-43-4-2, nine counts of theft, versus Nicholas M. Vores and forwarded it to the Madison County Prosecutor's Office.

As of the date of this report, this matter is open and under review and investigation by the County Prosecutor's Office.

A similar comment appeared in prior Report B32689. The status of these proceedings will be reviewed by the State Board of Accounts during a subsequent audit of the City.

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF ANDERSON, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Anderson (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, and federal awarding agencies and pass-through entities 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

November 30, 2009

CITY OF ANDERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant			
Automated Flood Warning Systems (AFWS)	11.450	NA07NWS4500007	\$ <u>72,338</u>
<u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement and HUD Administered Small City Cluster Community Development Block Grants/Entitlement Grants	14.218	MC-07-MC180000 MC-08-MC180000	278,551 <u>497,789</u>
Total for cluster			<u>776,340</u>
Shelter Plus Care	14.238	IN36C103004 IN36C402003	35,427 <u>62,332</u>
Total for program			<u>97,759</u>
HOME Investment Partnerships Program	14.239	M-94-MC-180209 M-04-MC-180209 M-05-MC-180209 M-06-MC-180209 M-07-MC-180209 M-08-MC-180209	81,051 6,397 55,358 94,911 287,027 <u>336,589</u>
Total for program			<u>861,333</u>
Community Development Block Grants/Economic Development Initiative (EDI)	14.246	B-05-SP-IN-0068	<u>15,600</u>
Total for federal grantor agency			<u>1,751,032</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	06VA170 07VA079 08VA085	7,729 15,458 <u>6,956</u>
Total for program			<u>30,143</u>
Violence Against Women Formula Grants	16.588	07STO07	<u>20,657</u>
Community Capacity Development Office - Weed and Seed Grant	16.595	2007-WS-Q7-0241	<u>90,156</u>
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	07-DJ-019 07-DJ-079 2006-DJ-BX-0326 2007-DJ-BX-0339	15,604 6,291 6,909 <u>24,537</u>
Total for program			<u>53,341</u>
Total for federal grantor agency			<u>194,297</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF ANDERSON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Airport Improvement Program	20.106		
		AIP 3-18-0001-018	2,076
		AIP 3-18-0001-019	2,878,074
		AIP 3-18-0001-020	37,192
		AIP 3-18-0001-021	1,716,612
		AIP 3-18-0001-022	<u>347,598</u>
Total for program			<u>4,981,552</u>
Direct Grant			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507		
		IN-90-X569	<u>1,065,056</u>
Total for cluster			<u>1,065,056</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
		PT-08-04-01-54	14,090
		PT-09-04-01-10	<u>1,878</u>
Total for cluster			<u>15,968</u>
Total for federal grantor agency			<u>6,062,576</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		
		BF-00E05001-0	3,880
		BF-00E32401-0	<u>1,940</u>
Total for program			<u>5,820</u>
Pass-Through Indiana Department of Environmental Management			
Air Pollution Control Program Support	66.001		
		A305-6-167	<u>7,394</u>
Total for federal grantor agency			<u>13,214</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through LifeStream Services			
Special Programs for the Aging Title III, Part B; Grants for Supportive Services and Senior Centers	93.044		
		2008	<u>3,728</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance	97.036		
		FEMA Disaster #1766	<u>377,371</u>
Emergency Management Performance Grants	97.042		
		2007	<u>1,286</u>
Total for federal grantor agency			<u>378,657</u>
Total federal awards expended			<u>\$ 8,475,842</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF ANDERSON  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Anderson (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2008:

Program Title	Federal CFDA Number	2008
Community Development Block Grants/Entitlement Grants	14.218	\$ 437
Shelter Plus Care	14.238	88,167
Crime Victim Assistance	16.575	150
Community Capacity Development Office - Weed and Seed Grant	16.595	28,538

CITY OF ANDERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
97.036	CDBG Entitlement and HUD Administered Small City Cluster Federal Transit Cluster Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	yes
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CITY OF ANDERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section II – Financial Statement Findings

FEDERAL FINDING 2008-01, INTERNAL CONTROLS OVER  
FINANCIAL TRANSACTIONS AND REPORTING

We noted a significant deficiency in the internal control system of the City related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Preparing Financial Statements: Effective internal controls over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statements and then determining how those identified risks should be managed. The depository reconciliation process of the cash fund balances to the bank account balances was not functioning properly resulting in an incorrect reconciliation at December 31, 2008, as presented for audit. Additionally, depository reconciliations of the cash fund balances to the bank account balances were incomplete or inaccurate as presented for audit for the months of January through November of 2008.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF ANDERSON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



*City of Anderson  
Controller's Office*

120 E. 8<sup>th</sup> St.  
P.O. Box 2100  
Anderson, Indiana 46018  
(765) 648-6027 Fax (765) 648-5902  
[www.cityofanderson.com](http://www.cityofanderson.com)

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Date: November 17, 2009  
To: State Board of Accounts  
Subject: Finding No.2008-1 Internal Controls Over Financial Transactions And Reporting

The following corrective actions have been taken for reconciliation:  
Software issues were discovered and patches were applied on 10/22/09 to rectify said issues.  
We have taken extra steps to correct errors made by system users by recommendations made by the software company.  
Extra measures are being taken to document reconciling items. Further documentation is being attached to items to reconcile to both bank and system.

*C. Karen Carpenter*

C. Karen Carpenter  
City Controller

CITY OF ANDERSON  
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2009, with Hon. Kris Ockomon, Major; C. Karen Carpenter, Controller; C. Gregory Graham, President of the Board of Public Works; Mark Lamey, Board of Public Works member; David Eicks, Councilman; and Renisa D. Harry, Utilities Finance Manager. The officials concurred with our audit findings.