

B37177

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

ANNUAL FINANCIAL REPORT

2009

CITY OF RICHMOND

WAYNE COUNTY, INDIANA



FILED
07/08/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Tammy S. Glenn	01-01-07 to 12-31-10
Mayor	Sarah L. Hutton	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Vicki A. Robinson	01-01-08 to 12-31-10
President of the Common Council	Bruce Wissel James Clayton Miller	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Board of Sanitary Commissioners	Richard Bodiker	01-01-09 to 12-31-10



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

TO: THE OFFICIALS OF THE CITY OF RICHMOND, WAYNE 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 Richmond (City), as of and for the year ended December 31, 2009, 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.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, 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 June 9, 2010, 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.

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

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

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, 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 or Budgetary Comparison Schedules 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, Schedule of Capital Assets, 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 Schedule of Capital Assets 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

June 9, 2010



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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 RICHMOND, WAYNE 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 Richmond (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 9, 2010. 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.

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.

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.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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)

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.

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

June 9, 2010

CITY OF RICHMOND
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 3,274,330	\$ 1,848,986	\$ 61,985	\$ -	\$ (1,363,359)	\$ -	\$ (1,363,359)
Public safety	14,777,155	979,485	800,276	92,784	(12,904,610)	-	(12,904,610)
Highways and streets	3,735,239	14,359	1,057,363	305,337	(2,358,180)	-	(2,358,180)
Health and welfare	560,149	470,276	-	-	(89,873)	-	(89,873)
Economic development	4,364,835	371,223	100,000	-	(3,893,612)	-	(3,893,612)
Culture and recreation	3,113,626	575,354	114,418	-	(2,423,854)	-	(2,423,854)
Urban redevelopment and housing	672,291	-	-	-	(672,291)	-	(672,291)
Principal and interest on indebtedness	1,897,303	1,578,303	-	-	(319,000)	-	(319,000)
Total governmental activities	32,394,928	5,837,986	2,134,042	398,121	(24,024,779)	-	(24,024,779)
Business-type activities:							
Richmond Sanitary District	17,798,076	8,735,323	-	277,776	-	(8,784,977)	(8,784,977)
Richmond Power and Light	81,740,083	77,265,851	-	9,109	-	(4,465,123)	(4,465,123)
Roseview Transit	1,270,375	194,310	932,031	11,762	-	(132,272)	(132,272)
Richmond Municipal Airport	504,135	417,683	-	2,775	-	(83,677)	(83,677)
Off Street Parking	77,124	39,850	-	1,760	-	(35,514)	(35,514)
Total business-type activities	101,389,793	86,653,017	932,031	303,182	-	(13,501,563)	(13,501,563)
Total primary government	\$ 133,784,721	\$ 92,491,003	\$ 3,066,073	\$ 701,303	(24,024,779)	(13,501,563)	(37,526,342)
General receipts:							
Property taxes					19,084,970	6,982,390	26,067,360
Intergovernmental					7,568,041	1,681,217	9,249,258
Other local sources					355,387	-	355,387
Net proceeds from borrowings					1,995,000	11,383,017	13,378,017
Grants and contributions not restricted to specific programs					2,961	-	2,961
Investment earnings					33,321	335,505	368,826
Interfund loans					(37,928)	37,928	-
Transfers					2,010,265	(2,010,265)	-
Total general receipts, interfund loans, and transfers					31,012,017	18,409,792	49,421,809
Change in net assets					6,987,238	4,908,229	11,895,467
Net assets - beginning					11,605,904	38,087,219	49,693,123
Net assets - ending					\$ 18,593,142	\$ 42,995,448	\$ 61,588,590
Assets							
Cash and investments					\$ 12,875,293	\$ 15,647,176	\$ 28,522,469
Cash with fiscal agent					158,883	-	158,883
Restricted assets:							
Cash and investments					5,558,966	27,348,272	32,907,238
Total assets					\$ 18,593,142	\$ 42,995,448	\$ 61,588,590
Net Assets							
Restricted for:							
Public safety					\$ 194,368	\$ -	\$ 194,368
Health and welfare					2,830	-	2,830
Economic development					5,252,296	-	5,252,296
Culture and recreation					109,472	-	109,472
Debt service					158,883	2,634,319	2,793,202
Other purposes					-	12,359,477	12,359,477
Utility restricted cash purposes					-	12,354,476	12,354,476
Unrestricted					12,875,293	15,647,176	28,522,469
Total net assets					\$ 18,593,142	\$ 42,995,448	\$ 61,588,590

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

CITY OF RICHMOND
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, 2009

	General	Motor Vehicle Highway	Parks and Recreation	Tax Increment Financing	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 9,641,307	\$ 1,851,000	\$ 2,203,868	\$ 4,776,943	\$ 611,852	\$ 19,084,970
Licenses and permits	98,634	5,659	-	-	17,296	121,589
Intergovernmental	4,692,225	1,204,779	175,613	8,481	3,786,550	9,867,648
Charges for services	2,196,019	8,700	80,953	-	2,193,907	4,479,579
Fines and forfeits	74,018	-	-	-	52,330	126,348
Interfund loans	-	-	-	-	147,458	147,458
Other	121,260	2,651	29,306	9,731	1,165,241	1,328,189
Total receipts	16,823,463	3,072,789	2,489,740	4,795,155	7,974,634	35,155,781
Disbursements:						
General government	3,079,293	-	-	38,667	156,370	3,274,330
Public safety	13,309,111	-	-	-	979,339	14,288,450
Highways and streets	278,497	2,932,733	-	-	298,219	3,509,449
Health and welfare	-	-	-	-	560,149	560,149
Economic development	-	-	-	2,559,800	1,109,175	3,668,975
Culture and recreation	-	-	2,246,388	-	609,381	2,855,769
Urban redevelopment and housing	670,964	-	-	-	-	670,964
Interfund loans	-	-	-	-	185,386	185,386
Debt service:						
Principal	-	-	-	-	1,785,000	1,785,000
Interest	-	-	-	-	112,303	112,303
Capital outlay:						
Public safety	-	-	-	-	488,705	488,705
Highways and streets	15,827	209,963	-	-	-	225,790
Economic development	-	-	-	697,187	-	697,187
Culture and recreation	-	-	38,288	-	219,569	257,857
Total disbursements	17,353,692	3,142,696	2,284,676	3,295,654	6,503,596	32,580,314
Excess (deficiency) of receipts over disbursements	(530,229)	(69,907)	205,064	1,499,501	1,471,038	2,575,467
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	1,995,000	1,995,000
Transfers in	2,139,709	-	-	-	9,257	2,148,966
Transfers out	(39,357)	-	-	-	(99,344)	(138,701)
Total other financing sources (uses)	2,100,352	-	-	-	1,904,913	4,005,265
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,570,123	(69,907)	205,064	1,499,501	3,375,951	6,580,732
Cash and investment fund balance - beginning	524,748	519,458	559,436	2,750,211	6,451,336	10,805,189
Cash and investment fund balance - ending	\$ 2,094,871	\$ 449,551	\$ 764,500	\$ 4,249,712	\$ 9,827,287	17,385,921
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.						
						1,207,221
Net assets of governmental activities						\$ 18,593,142
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,094,871	\$ 449,551	\$ 764,500	\$ 4,249,712	\$ 4,109,438	\$ 11,668,072
Cash with fiscal agent	-	-	-	-	158,883	158,883
Restricted assets:						
Cash and investments	-	-	-	-	5,558,966	5,558,966
Total cash and investment assets - ending	\$ 2,094,871	\$ 449,551	\$ 764,500	\$ 4,249,712	\$ 9,827,287	\$ 17,385,921
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	194,368	194,368
Health and welfare	-	-	-	-	2,830	2,830
Economic development	-	-	-	-	5,252,296	5,252,296
Culture and recreation	-	-	-	-	109,472	109,472
Debt service	-	-	-	-	158,883	158,883
Unrestricted	2,094,871	449,551	764,500	4,249,712	4,109,438	11,668,072
Total cash and investment fund balance - ending	\$ 2,094,871	\$ 449,551	\$ 764,500	\$ 4,249,712	\$ 9,827,287	\$ 17,385,921

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

CITY OF RICHMOND
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, 2009

	Richmond Sanitary District	Richmond Electric Utility	Roseview Transit	Municipal Airport	Off Street Parking	Totals	Internal Service Funds
Operating receipts:							
Residential sales	\$ 3,080,735	\$ 18,067,484	\$ -	\$ -	\$ -	\$ 21,148,219	\$ -
Commercial and industrial sales	2,286,368	46,764,798	-	-	-	49,051,166	-
Sales for resale	-	9,682,507	-	-	-	9,682,507	-
Public street and highway lighting	-	1,916,461	-	-	-	1,916,461	-
Customer charges and sales	-	-	181,020	227,501	39,850	448,371	-
Stormwater fees	1,203,450	-	-	-	-	1,203,450	-
Penalties	-	497,455	-	-	-	497,455	-
Landfill transfer fees	1,038,518	-	-	-	-	1,038,518	-
Landfill collection tub fees	162,418	-	-	-	-	162,418	-
Landfill scrap sales & other fees	65,665	-	-	-	-	65,665	-
Intergovernmental receipts	70,472	-	-	-	-	70,472	-
City's share contributions	-	-	-	-	-	-	5,265,165
Charges for services	-	-	-	-	-	-	679,746
Other wastewater receipts	771,179	-	-	-	-	771,179	-
Interfund loan proceeds	-	-	185,386	-	-	185,386	-
Miscellaneous	40,839	337,146	13,290	1,143	-	392,418	118,125
Total operating receipts	8,719,644	77,265,851	379,696	228,644	39,850	86,633,685	6,063,036
Operating disbursements:							
Salaries and wages	3,401,858	-	-	-	-	3,401,858	-
Employee pensions and benefits	1,333,535	2,511,012	-	-	-	3,844,547	-
Sludge removal	229,384	-	-	-	-	229,384	-
Purchased power	739,295	-	-	-	-	739,295	-
Chemicals	253,774	-	-	-	-	253,774	-
Material and supplies	526,074	-	-	-	-	526,074	-
Contractual services	915,327	-	-	-	-	915,327	-
Rents	12,021	-	-	-	-	12,021	-
Insurance claims and expense	355,280	-	-	-	-	355,280	5,394,054
Fuel	298,125	-	-	-	-	298,125	-
Production and supply	-	64,560,481	-	-	-	64,560,481	-
Transmission and distribution	-	3,416,691	-	-	-	3,416,691	-
Customer accounts	-	1,370,808	-	-	-	1,370,808	-
Administration and general	-	3,575,100	-	-	-	3,575,100	262,476
Public transportation operations and maintenance	-	-	1,270,375	-	-	1,270,375	-
Municipal airport operations	-	-	-	504,135	-	504,135	-
Off street parking operations	-	-	-	-	77,124	77,124	-
Interfund loans repaid	-	-	147,458	-	-	147,458	-
Equipment and capital improvements	5,995,657	3,102,778	-	-	-	9,098,435	-
Miscellaneous	852,678	2,370,518	-	-	-	3,223,196	-
Total operating disbursements	14,913,008	80,907,388	1,417,833	504,135	77,124	97,819,488	5,656,530
Deficiency of operating receipts over operating disbursements	(6,193,364)	(3,641,537)	(1,038,137)	(275,491)	(37,274)	(11,185,803)	406,506
Nonoperating receipts (disbursements):							
Property taxes	6,982,390	-	-	-	-	6,982,390	-
Intergovernmental	1,681,217	-	-	-	-	1,681,217	-
Rent	-	-	-	189,039	-	189,039	-
Investment income	23,173	311,882	-	450	-	335,505	-
Net proceeds from borrowings	11,383,017	-	-	-	-	11,383,017	-
Operating grants	-	-	932,031	-	-	932,031	-
Principal received on customer notes	15,679	-	-	-	-	15,679	-
Debt service of principal	(1,705,309)	(595,000)	-	-	-	(2,300,309)	-
Interest disbursements	(1,179,759)	(237,695)	-	-	-	(1,417,454)	-
Total nonoperating receipts (disbursements)	17,200,408	(520,813)	932,031	189,489	-	17,801,115	-
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	11,007,044	(4,162,350)	(106,106)	(86,002)	(37,274)	6,615,312	406,506
Capital contributions	277,776	9,109	11,762	2,775	1,760	303,182	-
Transfers in	2,593,621	-	94,344	-	35,100	2,723,065	-
Transfers out	(2,593,621)	(2,139,709)	-	-	-	(4,733,330)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	11,284,820	(6,292,950)	-	(83,227)	(414)	4,908,229	406,506
Cash and investment fund balance - beginning	13,617,456	24,253,794	40	215,407	522	38,087,219	800,715
Cash and investment fund balance - ending	\$ 24,902,276	\$ 17,960,844	\$ 40	\$ 132,180	\$ 108	\$ 42,995,448	\$ 1,207,221

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

CITY OF RICHMOND
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, 2009
(Continued)

	Richmond Sanitary District	Richmond Electric Utility	Roseview Transit	Municipal Airport	Off Street Parking	Totals	Internal Service Funds
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 10,876,099	\$ 4,638,749	\$ 40	\$ 132,180	\$ 108	\$ 15,647,176	\$ 1,207,221
Restricted assets:							
Cash and investments	<u>14,026,177</u>	<u>13,322,095</u>	-	-	-	<u>27,348,272</u>	-
Total cash and investment assets - December 31	<u>\$ 24,902,276</u>	<u>\$ 17,960,844</u>	<u>\$ 40</u>	<u>\$ 132,180</u>	<u>\$ 108</u>	<u>\$ 42,995,448</u>	<u>\$ 1,207,221</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ 1,666,700	\$ 967,619	\$ -	\$ -	\$ -	\$ 2,634,319	\$ -
Other purposes	12,359,477	-	-	-	-	12,359,477	-
Utility restricted cash purposes	-	12,354,476	-	-	-	12,354,476	-
Unrestricted	<u>10,876,099</u>	<u>4,638,749</u>	<u>40</u>	<u>132,180</u>	<u>108</u>	<u>15,647,176</u>	<u>1,207,221</u>
Total cash and investment fund balance - December 31	<u>\$ 24,902,276</u>	<u>\$ 17,960,844</u>	<u>\$ 40</u>	<u>\$ 132,180</u>	<u>\$ 108</u>	<u>\$ 42,995,448</u>	<u>\$ 1,207,221</u>

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

CITY OF RICHMOND
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 882,791	\$ -
State	3,495,207	-
Private donations	<u>-</u>	<u>126,578</u>
Total contributions	<u>4,377,998</u>	<u>126,578</u>
Investment earnings:		
Interest	<u>19,497</u>	<u>-</u>
Total additions	<u>4,397,495</u>	<u>126,578</u>
Deductions:		
Benefits	4,356,631	-
Payments in accordance with trust agreements	-	113,214
Administrative and general	<u>2,330</u>	<u>-</u>
Total deductions	<u>4,358,961</u>	<u>113,214</u>
Excess (deficiency) of total additions over total deductions before other financing sources	38,534	13,364
Other financing sources:		
Transfers in	<u>3,546</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	42,080	13,364
Cash and investment fund balance - beginning	<u>15,561</u>	<u>101,257</u>
Cash and investment fund balance - ending	<u>\$ 57,641</u>	<u>\$ 114,621</u>

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

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor Town Council form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, economic development, general administrative services, electric, wastewater and storm water utility services, trash collection, recycling and landfill services, public mass transportation, airport service, off street parking, and urban redevelopment and housing.

The City's financial reporting entity is composed of the following:

Primary Government: City of Richmond
Blended Component Unit: Richmond Redevelopment Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Richmond Redevelopment Authority	The primary government appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the City and the Authority. Although it is legally separate from the City, the Authority is reported as if it were a part of the City because it provides services entirely to the City.	Redevelopment Authority Bond and Interest

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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 motor vehicle highway fund is the primary operating fund of the street department. It accounts for the primary operating cash receipts, cash disbursements and cash balances of the street department.

The parks and recreation fund is the primary operating fund of the park department. It accounts for most of the operating cash receipts, cash disbursements and cash balances of the park department.

The tax increment financing fund is the primary fund used to account for all cash receipts, cash disbursements and cash balances for the tax increment financing district, an economic development zone of the City of Richmond.

The City reports the following major proprietary funds:

The sanitary district fund accounts for the operation of the Richmond Sanitary District including trash collection, municipal landfill, wastewater collection and treatment and storm water collection and management activities.

The electric utility fund accounts for the operation of the electric utility. This includes the sale, generation, wholesale purchase of electricity and distribution of electricity for customers.

The roseview transit fund accounts for the operation of the city's mass transit system.

The municipal airport fund accounts for the operation of the municipal airport.

The off street parking fund accounts for the operation of the city's parking lots and parking garage.

Additionally, the City reports the following fund types:

The internal service funds account for health insurance for employees of all city departments and workers' compensation insurance for the city provided on a cost-reimbursement basis.

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

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

The private-purpose trust fund reports a trust arrangement under which principal and income benefit various groups and agencies.

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 governmental funds and the business-type funds. 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. (The City does not have any internal service funds.)

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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

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). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

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 RICHMOND
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:

1. 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 RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

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

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 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 RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
General Fund	Off Street Parking Fund	\$ 35,100
	Park Bond Sinking Fund	4,257
County Economic Development Fund	Birth to Five Fund	5,000
	Roseview Transit	94,344
Sewer Utility Debt Reserve	Sewer Utility Operating	2,135
	Sanitary District Operating	2,135
Stormwater Utility Operating	Sewer Utility Bond & Interest	68,112
	Sewer Utility Debt Reserve	53,236
Sewer Utility Operating	Sewer Utility Bond & Interest	1,374,979
	Sewer Utility Debt Reserve	53,236
Landfill Fund	Sewer Utility	113,091
Sanitary Operating	Sewer Utility Bond & Interest	141,420
	Landfill Fund	785,277
Electric Utility	General Fund	2,139,709
Totals		<u>\$ 4,872,031</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 of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters 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.

Medical Benefits to Employees, Retirees and Dependents (Excluding Postemployment Benefits)

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the 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 \$125,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Job-Related Illnesses or Injuries to Employees Benefits

The City has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Workers' Compensation 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 \$150,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. 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, nor 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, 2009, there were four series of economic development revenue bonds outstanding.

C. Loans Receivable

These loans were made to various businesses for various purposes of economic development. During the year 2009 there were no new loans issued and principal payments received on loans totaled \$140,606. The total balance of loans outstanding at December 31, 2009, was \$902,920.

D. Rate Structure – Enterprise Funds

Sanitary District

The current Wastewater Utility rate structure was approved by the City Council on July 6, 2004. The current Storm Water Utility rate structure was effective January 1, 2008, as approved by City Council.

Electric Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on February 9, 2005.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. 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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$675,792.

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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The contributions made by the City during the period were \$450,514.

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

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The contributions made by the City during the period were \$432,277.

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:

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

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and 5% fire-fighters' base salary plus longevity 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 19.5% of the first-class police officers' and 20.5% firefighters' base salary plus longevity. 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, 2009, 2008 and 2007 were \$1,390,860, \$1,425,222, and \$1,374,559, respectively, equal to the required contributions for each year.

V. Contingent Liability

The City of Richmond's Electric Utility, Richmond Power and Light, is attempting to resolve a "Notice of Violation and Finding of Violation" received from the United States Environmental Protection Agency (EPA) in connection with certain provisions of the Clean Air Act. The amount of liability, if any, is unknown at this time.

CITY OF RICHMOND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund - City

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 6,789,408	\$ 5,859,975	\$ 929,433	116%	\$ 4,373,639	21%
07-01-08	6,947,878	6,250,363	697,515	111%	4,354,685	16%
07-01-09	5,757,559	6,033,630	(276,071)	95%	4,581,701	6%

Public Employees' Retirement Fund - Sanitary District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 3,081,926	\$ 3,492,101	\$ (410,175)	88%	\$ 2,755,173	15%
07-01-08	3,535,110	3,729,107	(193,997)	95%	2,829,160	7%
07-01-09	3,126,923	3,766,394	(639,471)	83%	3,115,556	21%

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (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	\$ 1,198,464	\$ 23,077,700	\$ (21,879,236)	5%	\$ 497,600	(4,397)%
01-01-04	1,223,329	22,171,400	(20,948,071)	6%	284,700	(7,358)%
01-01-05	650,286	22,009,200	(21,358,914)	3%	293,200	(7,285)%
01-01-06	112,717	22,393,600	(22,280,883)	1%	300,500	(7,415)%
01-01-07	317,833	21,157,900	(20,840,067)	2%	258,800	(8,053)%
01-01-08	190,929	18,782,500	(18,591,571)	1%	44,400	(41,873)%

1925 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (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	\$ 1,650,963	\$ 31,392,500	\$ (29,741,537)	5%	\$ 475,400	(6,256)%
01-01-04	901,943	31,807,200	(30,905,257)	3%	283,500	(10,901)%
01-01-05	663,091	31,239,500	(30,576,409)	2%	291,900	(10,475)%
01-01-06	65,228	29,633,000	(29,567,772)	0%	253,900	(11,645)%
01-01-07	339,556	28,906,300	(28,566,744)	1%	176,800	(16,158)%
01-01-08	345,277	24,387,200	(24,041,923)	1%	-	No Covered Payroll

Electric Utility Employees' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
09-01-02	\$ 18,451,814	\$ 17,390,368	\$ 1,061,446	106%	\$ 6,436,400	16%
09-01-03	18,327,234	17,342,907	984,327	106%	6,396,220	15%
09-01-04	20,164,043	19,163,700	1,000,343	105%	6,940,368	14%
09-01-05	21,582,567	21,240,996	341,571	102%	7,331,350	5%
09-01-06	23,155,870	22,395,506	760,364	103%	7,280,811	10%
09-01-07	25,356,539	23,832,967	1,523,572	106%	7,182,171	21%
09-01-08	39,361,410	38,264,551	1,096,859	103%	9,631,460	11%
09-01-09	39,477,633	40,776,537	(1,298,904)	97%	8,255,070	(16)%

CITY OF RICHMOND
 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, 2009

	Local Road and Street	Park Nonreverting Operating	City Grants	Law Enforcement Continuing Education	Unsafe Building	Rainy Day	Law Enforcement Aid
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 39,054	\$ -	\$ -
Licenses and permits	-	-	-	15,980	-	-	-
Intergovernmental	305,337	-	637,438	-	3,125	6,838	-
Charges for services	-	456,826	-	11,004	-	-	-
Fines and forfeits	-	37,575	-	14,755	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	208	73,889	-	307	12,024	976	101,093
Total receipts	305,545	568,290	637,438	42,046	54,203	7,814	101,093
Disbursements:							
General government	-	-	-	-	-	87,345	-
Public safety	-	-	510,647	22,601	46,288	-	72,149
Highways and streets	298,219	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	483,906	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Public safety	-	-	-	37,291	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	298,219	483,906	510,647	59,892	46,288	87,345	72,149
Excess (deficiency) of receipts over disbursements	7,326	84,384	126,791	(17,846)	7,915	(79,531)	28,944
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,326	84,384	126,791	(17,846)	7,915	(79,531)	28,944
Cash and investment fund balance - beginning	29,238	14,462	28,650	123,083	35,977	417,483	42,940
Cash and investment fund balance - ending	\$ 36,564	\$ 98,846	\$ 155,441	\$ 105,237	\$ 43,892	\$ 337,952	\$ 71,884
Cash and Investment Assets - Ending							
Cash and investments	\$ 36,564	\$ 98,846	\$ -	\$ 105,237	\$ 43,892	\$ 337,952	\$ 71,884
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	155,441	-	-	-	-
Total cash and investment assets - ending	\$ 36,564	\$ 98,846	\$ 155,441	\$ 105,237	\$ 43,892	\$ 337,952	\$ 71,884
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ 155,441	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	36,564	98,846	-	105,237	43,892	337,952	71,884
Total cash and investment fund balance - ending	\$ 36,564	\$ 98,846	\$ 155,441	\$ 105,237	\$ 43,892	\$ 337,952	\$ 71,884

CITY OF RICHMOND
 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, 2009
 (Continued)

	Build Indiana	Haz-Mat Fund	Criminal Justice	Infrastructure	Business and Industrial	City Center Loan	Local Cash
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	44,700	-	-	100,000	-
Charges for services	-	11,555	-	-	-	136,219	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	114,418	-	17,200	9,560	183,891	3,729	36,312
Total receipts	114,418	11,555	61,900	9,560	183,891	239,948	36,312
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	8,890	108,878	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	31,791	149,516	2,391
Culture and recreation	43,061	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	43,061	8,890	108,878	-	31,791	149,516	2,391
Excess (deficiency) of receipts over disbursements	71,357	2,665	(46,978)	9,560	152,100	90,432	33,921
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,357	2,665	(46,978)	9,560	152,100	90,432	33,921
Cash and investment fund balance - beginning	38,115	9,607	85,905	5,591	469,563	-	22,119
Cash and investment fund balance - ending	<u>\$ 109,472</u>	<u>\$ 12,272</u>	<u>\$ 38,927</u>	<u>\$ 15,151</u>	<u>\$ 621,663</u>	<u>\$ 90,432</u>	<u>\$ 56,040</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 12,272	\$ -	\$ 15,151	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	109,472	-	38,927	-	621,663	90,432	56,040
Total cash and investment assets - ending	\$ 109,472	\$ 12,272	\$ 38,927	\$ 15,151	\$ 621,663	\$ 90,432	\$ 56,040
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ 38,927	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	621,663	90,432	56,040
Culture and recreation	109,472	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	12,272	-	15,151	-	-	-
Total cash and investment fund balance - ending	\$ 109,472	\$ 12,272	\$ 38,927	\$ 15,151	\$ 621,663	\$ 90,432	\$ 56,040

CITY OF RICHMOND
 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, 2009
 (Continued)

	Program Income	Microenterprise	Birth to Five	Human and Environmental	Animal Control	Park Bond Sinking
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,901
Licenses and permits	-	-	-	-	1,316	-
Intergovernmental	-	-	-	61,985	-	14,061
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	24,465	1,013	469,204	16,614	-	-
Total receipts	24,465	1,013	469,204	78,599	1,316	189,962
Disbursements:						
General government	-	-	-	69,025	-	-
Public safety	-	-	-	-	716	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	560,149	-	-	-
Economic development	1,327	220	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	300,000
Interest	-	-	-	-	-	19,000
Capital outlay:						
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	1,327	220	560,149	69,025	716	319,000
Excess (deficiency) of receipts over disbursements	23,138	793	(90,945)	9,574	600	(129,038)
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	5,000	-	-	4,257
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	5,000	-	-	4,257
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,138	793	(85,945)	9,574	600	(124,781)
Cash and investment fund balance - beginning	27,975	3,765	88,775	19,800	7,670	283,656
Cash and investment fund balance - ending	\$ 51,113	\$ 4,558	\$ 2,830	\$ 29,374	\$ 8,270	\$ 158,875
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 29,374	\$ 8,270	\$ -
Cash with fiscal agent	-	-	-	-	-	158,875
Restricted assets:						
Cash and investments	51,113	4,558	2,830	-	-	-
Total cash and investment assets - ending	\$ 51,113	\$ 4,558	\$ 2,830	\$ 29,374	\$ 8,270	\$ 158,875
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	2,830	-	-	-
Economic development	51,113	4,558	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	158,875
Unrestricted	-	-	-	29,374	8,270	-
Total cash and investment fund balance - ending	\$ 51,113	\$ 4,558	\$ 2,830	\$ 29,374	\$ 8,270	\$ 158,875

CITY OF RICHMOND
 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, 2009
 (Continued)

	Cumulative Capital Development	Redevelopment	Midwest Industrial Park	Redevelopment Bond	Park Bond Construction	County Economic Development Income Tax
Receipts:						
Taxes	\$ 396,897	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	124,404	-	-	-	-	793,155
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	147,458
Other	26,764	49	23,245	-	-	34,557
Total receipts	548,065	49	23,245	-	-	975,170
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	19,964	-	-	828,966
Culture and recreation	-	-	-	-	82,414	-
Interfund loans	-	-	-	-	-	185,386
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	451,414	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	451,414	-	19,964	-	82,414	1,014,352
Excess (deficiency) of receipts over disbursements	96,651	49	3,281	-	(82,414)	(39,182)
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	1,995,000	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(99,344)
Total other financing sources (uses)	-	-	-	-	1,995,000	(99,344)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	96,651	49	3,281	-	1,912,586	(138,526)
Cash and investment fund balance - beginning	375,765	19,916	736,866	516	1,366	868,697
Cash and investment fund balance - ending	\$ 472,416	\$ 19,965	\$ 740,147	\$ 516	\$ 1,913,952	\$ 730,171
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 472,416	\$ 19,965	\$ -	\$ 516	\$ 1,913,952	\$ 730,171
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	740,147	-	-	-
Total cash and investment assets - ending	\$ 472,416	\$ 19,965	\$ 740,147	\$ 516	\$ 1,913,952	\$ 730,171
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-	-	-
Economic development	-	-	740,147	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	472,416	19,965	-	516	1,913,952	730,171
Total cash and investment fund balance - ending	\$ 472,416	\$ 19,965	\$ 740,147	\$ 516	\$ 1,913,952	\$ 730,171

CITY OF RICHMOND
 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, 2009
 (Continued)

	Certified Tech Park	Redevelopment Authority Bond and Interest	Cumulative Capital Improvement	Park Nonreverting Capital	Park Capital Improvement	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,852
Licenses and permits	-	-	-	-	-	17,296
Intergovernmental	1,575,540	-	119,967	-	-	3,786,550
Charges for services	-	1,578,303	-	-	-	2,193,907
Fines and forfeits	-	-	-	-	-	52,330
Interfund loans	-	-	-	-	-	147,458
Other	5,516	-	9,932	-	275	1,165,241
Total receipts	1,581,056	1,578,303	129,899	-	275	7,974,634
Disbursements:						
General government	-	-	-	-	-	156,370
Public safety	-	-	209,170	-	-	979,339
Highways and streets	-	-	-	-	-	298,219
Health and welfare	-	-	-	-	-	560,149
Economic development	75,000	-	-	-	-	1,109,175
Culture and recreation	-	-	-	-	-	609,381
Interfund loans	-	-	-	-	-	185,386
Debt service:						
Principal	-	1,485,000	-	-	-	1,785,000
Interest	-	93,303	-	-	-	112,303
Capital outlay:						
Public safety	-	-	-	-	-	488,705
Culture and recreation	-	-	-	-	219,569	219,569
Total disbursements	75,000	1,578,303	209,170	-	219,569	6,503,596
Excess (deficiency) of receipts over disbursements	1,506,056	-	(79,271)	-	(219,294)	1,471,038
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	1,995,000
Transfers in	-	-	-	-	-	9,257
Transfers out	-	-	-	-	-	(99,344)
Total other financing sources (uses)	-	-	-	-	-	1,904,913
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,506,056	-	(79,271)	-	(219,294)	3,375,951
Cash and investment fund balance - beginning	2,182,287	8	252,436	2,850	256,255	6,451,336
Cash and investment fund balance - ending	\$ 3,688,343	\$ 8	\$ 173,165	\$ 2,850	\$ 36,961	\$ 9,827,287
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 173,165	\$ 2,850	\$ 36,961	\$ 4,109,438
Cash with fiscal agent	-	8	-	-	-	158,883
Restricted assets:						
Cash and investments	3,688,343	-	-	-	-	5,558,966
Total cash and investment assets - ending	\$ 3,688,343	\$ 8	\$ 173,165	\$ 2,850	\$ 36,961	\$ 9,827,287
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,368
Health and welfare	-	-	-	-	-	2,830
Economic development	3,688,343	-	-	-	-	5,252,296
Culture and recreation	-	-	-	-	-	109,472
Debt service	-	8	-	-	-	158,883
Unrestricted	-	-	173,165	2,850	36,961	4,109,438
Total cash and investment fund balance - ending	\$ 3,688,343	\$ 8	\$ 173,165	\$ 2,850	\$ 36,961	\$ 9,827,287

CITY OF RICHMOND
 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, 2009

	Health Insurance	Workers' Compensation Insurance	Totals
Operating receipts:			
Charges for services	\$ 679,746	\$ 369,902	\$ 1,049,648
City's share contributions	4,895,263	-	4,895,263
Miscellaneous	117,362	763	118,125
Total operating receipts	5,692,371	370,665	6,063,036
Operating disbursements:			
Administration and general	254,115	8,361	262,476
Insurance claims and expense	5,051,337	342,717	5,394,054
Total operating disbursements	5,305,452	351,078	5,656,530
Excess (deficiency) of receipts over disbursements	386,919	19,587	406,506
Cash and investment fund balance - beginning	651,955	148,760	800,715
Cash and investment fund balance - ending	\$ 1,038,874	\$ 168,347	\$ 1,207,221
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 1,038,874	\$ 168,347	\$ 1,207,221
Total cash and investment assets - December 31	\$ 1,038,874	\$ 168,347	\$ 1,207,221
<u>Cash and Investment Fund Balance - December 31</u>			
Unrestricted	\$ 1,038,874	\$ 168,347	\$ 1,207,221
Total cash and investment fund balance - December 31	\$ 1,038,874	\$ 168,347	\$ 1,207,221

CITY OF RICHMOND
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 450,514	\$ 432,277	\$ 882,791
State	<u>1,430,292</u>	<u>2,064,915</u>	<u>3,495,207</u>
Total contributions	<u>1,880,806</u>	<u>2,497,192</u>	<u>4,377,998</u>
Investment receipts:			
Interest	<u>19,312</u>	<u>185</u>	<u>19,497</u>
Net investment receipts	<u>19,312</u>	<u>185</u>	<u>19,497</u>
Total additions	<u>1,900,118</u>	<u>2,497,377</u>	<u>4,397,495</u>
Deductions:			
Benefits	1,908,125	2,448,506	4,356,631
Administrative and general	<u>602</u>	<u>1,728</u>	<u>2,330</u>
Total deductions	<u>1,908,727</u>	<u>2,450,234</u>	<u>4,358,961</u>
Excess (deficiency) of total additions over total deductions before other financing sources	(8,609)	47,143	38,534
Other financing sources:			
Transfers in	<u>3,546</u>	<u>-</u>	<u>3,546</u>
Excess (deficiency) of total additions over total deductions	(5,063)	47,143	42,080
Cash and investment fund balance - beginning	<u>6,838</u>	<u>8,723</u>	<u>15,561</u>
Cash and investment fund balance - ending	<u>\$ 1,775</u>	<u>\$ 55,866</u>	<u>\$ 57,641</u>

CITY OF RICHMOND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,577,455
Infrastructure	36,110,003
Buildings	10,555,951
Improvements other than buildings	1,693,890
Machinery and equipment	9,867,364
Construction in progress	<u>2,737,080</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 62,541,743</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Richmond Sanitary District:	
Capital assets, not being depreciated:	
Land	\$ 533,061
Construction in progress	5,161,015
Infrastructure	4,318,839
Buildings	49,584,997
Improvements other than buildings	39,759,187
Machinery and equipment	<u>19,367,335</u>
Total Richmond Sanitary District capital assets	<u>118,724,434</u>
Richmond Electric Utility:	
Capital assets, not being depreciated:	
Land	787,489
Construction in progress	9,685,338
Buildings	6,570,655
Improvements other than buildings	980,453
Machinery and equipment	<u>157,701,577</u>
Total Richmond Electric Utility capital assets	<u>175,725,512</u>
Roseview Transit:	
Capital assets, not being depreciated:	
Land	19,950
Buildings	351,675
Machinery and equipment	<u>836,685</u>
Total Roseview Transit capital assets	<u>1,208,310</u>
Municipal Airport:	
Capital assets, not being depreciated:	
Land	567,389
Buildings	877,458
Improvements other than buildings	6,092,122
Machinery and equipment	<u>913,229</u>
Total Municipal Airport capital assets	<u>8,450,198</u>
Off Street Parking:	
Capital assets, not being depreciated:	
Land	118,366
Buildings	1,334,021
Improvements other than buildings	409,418
Machinery and equipment	<u>56,046</u>
Total Off Street Parking capital assets	<u>1,917,851</u>
Total business-type activities capital assets	<u>\$ 306,026,305</u>

CITY OF RICHMOND
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 294,193	\$ 209,895
Bonds payable:		
General obligation bonds:		
Park and Recreation 1999	155,000	158,875
Park and Recreation 2009	<u>1,995,000</u>	<u>212,831</u>
Total governmental activities debt	<u>\$ 2,444,193</u>	<u>\$ 581,601</u>
Business-type Activities:		
Richmond Sanitary District:		
Revenue bonds:		
SRF bond issue of 1998	\$ 2,438,110	\$ 284,364
SRF bond issue of 2000	1,520,929	151,885
SRF bond issue of 2004	3,458,797	284,290
Chester Blvd. issue of 2005	8,880,000	729,668
SRF bond issue of 2009	1,536,000	97,805
Sewage works revenue bond of 2009	<u>10,940,000</u>	<u>945,602</u>
Total Richmond Sanitary District	<u>28,773,836</u>	<u>2,493,614</u>
Electric Utility:		
Revenue bonds:		
Construction bonds of 2006	2,465,000	397,506
Construction bonds of 2008	<u>3,700,000</u>	<u>473,401</u>
Total Electric Utility	<u>6,165,000</u>	<u>870,907</u>
Total business-type activities debt	<u>\$ 34,938,836</u>	<u>\$ 3,364,520</u>

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
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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 RICHMOND, WAYNE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Richmond (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, 2009. 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 noncompliance 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, 2009.

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.

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

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)

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.

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

June 9, 2010

CITY OF RICHMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

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>ECONOMIC DEVELOPMENT ADMINISTRATION</u>			
Direct grant			
Economic Adjustment Assistance	11.307		
Revolving Loan Program		06-36-02088	\$ 1,111,696
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing Finance Authority			
Community Development Block Grants/State's Program	14.228		
Housing Grant		HD-008-003	187,500
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Formula Memorial Justice Assistance Grant Program	16.738		
Advanced Crime Enforcement - Interdiction			17,200
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Reid Parkway		STP-9989(32)	870
Scenic Byway Grant - Gorge		A-249-8-320372	25,045
TE Grant for CSX			19,770
Total for cluster			45,685
Pass-Through Indiana Department of Transportation			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507		
Operating Assistance		18027110	472,544
Capital Assistance		1802711C	86,670
Total for cluster			559,214
Pass-Through Indiana Department of Transportation			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Operation Pullover			44,700
Direct grant			
Airport Improvement Program	20.106		
Runway 6-24 Rehabilitation		AIP 3-18-0071-10	253,691
Total for federal grantor agency			903,290
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		
Whitewater Valley Gorge			19,800
Pass-Through Indiana Department of Environmental Management			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
Tertiary Building Modifications and Improvements		WW.09.142 89 02	177,207
Tertiary Building Modifications and Improvements		WW.09.142 89 02 (ARRA)	111,110
Total for program			288,317
Total for federal grantor agency			308,117

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

CITY OF RICHMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009
(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 HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health			
Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for			
Supportive Services and Senior Centers	93.044		
Paratransit		2008-09	21,109
Paratransit		2009-10	<u>21,110</u>
Total for federal grantor agency			<u>42,219</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Direct grant			
Retired and Senior Volunteer Program	94.002		<u>39,874</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct grant			
Assistance to Firefighters Grant	97.044		
Exhaust System			<u>92,784</u>
Pass-Through Grant County			
Hazardous Materials Training Program	97.020		
Haz-Mat Grant			<u>10,514</u>
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		
Disaster No. 1795			<u>293,064</u>
Total for federal grantor agency			<u>396,362</u>
Total federal awards expended			<u>\$ 3,006,258</u>

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

CITY OF RICHMOND
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 Richmond (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. Loans Outstanding

The City had the following loan balances, with continuing federal compliance requirements, outstanding at December 31, 2009. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2009</u>
Economic Adjustment Assistance	11.307	<u>\$ 902,920</u>

CITY OF RICHMOND
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?	no
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
11.307	Economic Adjustment Assistance
20.507	Federal Transit- Formula Grants

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

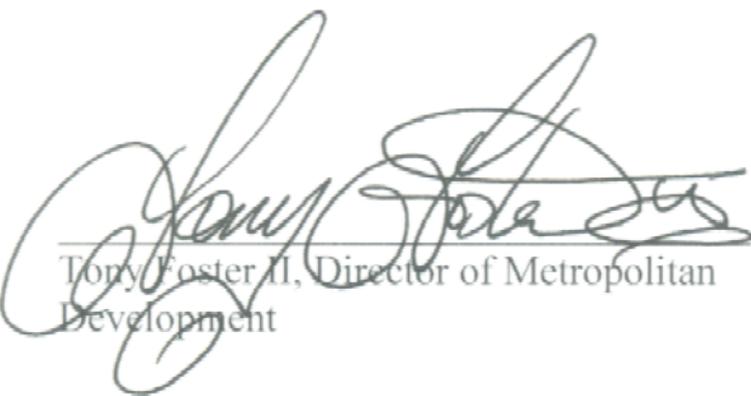
Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Finding 2008-1 Allowable/Unallowable activities

Original SBA Audit Report Number	B34847
Fiscal Years	01-01-08 to 12-31-08
Auditee Contact Person	Tony Foster II
Title of Contact Person	Director of Metropolitan Development
Phone Number	765-983-7211
Status of Finding	Corrective Action Taken

-40-



Tony Foster II, Director of Metropolitan
Development

5/12/10
Date

CITY OF RICHMOND
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2010, with Sarah L. Hutton, Mayor; Walt Chidester, City Attorney; Tony Foster, Metropolitan Development Director; Tammy S. Glenn, Controller; Valerie Fonzer, Deputy City Controller; William Harris, Sanitary District Director; Richard Bodiker, President of the Board of Sanitary Commissioners; Vicki A. Robinson, President of the Board of Public Works and Safety; and James Clayton Miller, President of the Common Council. Our audit disclosed no material items that warrant comment at this time.