

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

ANNUAL FINANCIAL REPORT

2010

CITY OF CONNERSVILLE

FAYETTE COUNTY, INDIANA



FILED
07/19/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Financial Statement(s): Statement(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement(s).....	10-15
Supplementary Information: Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	18-30
Schedule of Capital Assets.....	31
Schedule of Long-Term Debt	32
Supplemental Audit of Federal Awards: 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.....	34-35
Schedule of Expenditures of Federal Awards	36
Note(s) to Schedule of Expenditures of Federal Awards	37
Schedule of Findings and Questioned Costs	38
Auditee Prepared Schedule(s): Summary Schedule of Prior Audit Findings	39
Exit Conference.....	40

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Julie A. Greeson	01-01-08 to 12-31-11
Mayor	Leonard E. Urban	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Leonard E. Urban	01-01-08 to 12-31-11
President of the Common Council	Richard C. O'Neal	01-01-10 to 12-31-11
Director of Utilities	William Ammerman	01-01-10 to 12-31-11
Utility Office Manager	Karen L. Lore	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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 CONNERSVILLE, FAYETTE COUNTY, INDIANA

We have audited the accompanying financial statements of the City of Connersville (City), for the year ended December 31, 2010. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. 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 1, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 27, 2011, 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 integral part of 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 an opinion on the City's 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 financial statements.

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

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statements. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, Common Council of the City, 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 27, 2011



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

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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 CONNERSVILLE, FAYETTE COUNTY, INDIANA

We have audited the financial statements of the City of Connerville (City), for the year ended December 31, 2010, and have issued our report thereon dated June 27, 2011. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be 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, Common Council of the City, 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 27, 2011

FINANCIAL STATEMENT(S)

CITY OF CONNERSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS

For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 5,006,552	\$ 9,534,156	\$ 10,091,636	\$ 4,449,072
Motor Vehicle Highway	438,270	997,758	1,082,386	353,642
Local Road & Street	194,722	60,989	44,328	211,383
Cemetery Fund	27,703	-	8,262	19,441
Airport Fund	112,732	132,869	162,396	83,205
Park Non-Reverting Fund	18,417	26,585	24,552	20,450
Restricted Donation	10,845	7,936	12,511	6,270
Indiana Housing Grant II	-	30,630	30,630	-
Continuing Education	12,365	8,979	12,062	9,282
Riverboat Fund	238,336	96,443	166,540	168,239
Drug Coalition Fund	1,015	-	-	1,015
Park Fund	231,653	752,323	752,621	231,355
Park Restricted Fund	458	16,511	5,551	11,418
Fire Act Grant 2008	-	124,223	124,223	-
Intermodal Feasibility St Energy Grant	63,181	190,538	302,386	(48,667)
ledc 21St Century Grant	-	-	113,311	(113,311)
ledc 21St Century Grant	-	2,000,000	1,000,000	1,000,000
Facade Program	-	13,159	-	13,159
Landfill/Environ Remediat	335,000	347,043	39,848	642,195
Cable Education Fund	194,955	178,463	181,305	192,113
Rainy Day Fund	321,656	-	-	321,656
Seminar Training Fund	4,019	-	100	3,919
Levy Excess Fund	-	23,906	-	23,906
Je Roberts Feasibility St	2,000	-	2,000	-
Lawrenceburg Grant	-	3,000,000	2,593,292	406,708
Revolving Loan	-	41,378	41,378	-
Ruff Drug Fund	331	65,194	64,197	1,328
Tax Abatement Fund	1,568	300	13	1,855
Revolving Loan Us Bank	114,972	38,796	51,439	102,329
Park Oblig Refunding Bond	-	27,184	26,975	209
Park Pool Debt Service	-	116,113	116,113	-
Park Miller Bldg Debt Ser	11,814	73,352	73,468	11,698
Cumulative Capital Impr.	166,739	45,123	34,211	177,651
Cumulative Capital Dev	416,156	44,084	2,201	458,039
Pk Pool Bond Construction	33,352	17	11,260	22,109
Edit Fund	30,968	160,624	191,113	479
Airport Improvement	65,018	183,572	89,171	159,419
Non-Reverting Insurance	478,144	2,031,460	2,174,862	334,742
Police Pension	662,421	501,549	590,888	573,082
Fire Pension	774,324	968,524	1,066,987	675,861
James E Roberts Trust	17,587	243	131	17,699
Payroll	-	3,416,825	3,416,825	-
Deferred Comp Hartford	-	89,840	89,840	-
Perf	-	487,239	487,239	-
Federal Tax	-	796,647	796,647	-
In Dept Of Revenue	-	268,181	268,181	-

The notes to the financial statement(s) are an integral part of this statement.

CITY OF CONNERSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Fica	-	441,595	441,595	-
County Tax	-	169,958	169,958	-
Natco Credit Union	-	374,806	374,806	-
Lineco	-	247,513	247,513	-
Life Insurance	-	33,128	33,128	-
Health Ins Key Ben	-	2,044,236	2,033,215	11,021
Fayette County Treasurer	-	7,030	7,030	-
Lincoln National Life	-	2,194	2,194	-
Protective Life Insurance	-	127	127	-
Colonial Insurance	-	618	618	-
Prudential Insurance Ira	-	1,399	1,399	-
Rwdsu Welfare Fund	-	470,128	470,128	-
Union Dues	-	13,879	13,879	-
Ibew Cope	-	144	144	-
Medicare	-	168,443	168,443	-
Prudential Insurance	-	464	464	-
Direct Deposit Clearing	-	2,277,352	2,277,352	-
Fayette County Clerk G	-	15,230	15,230	-
Siho Insurance Services	-	17,700	17,700	-
Fire Union Dues	-	15,759	15,759	-
Fop Union Dues	4,689	4,814	6,889	2,614
Utility Union Dues	-	9,445	9,445	-
Prudential C	-	1,505	1,505	-
Pol & Fire Ins. Assoc.	-	14,943	14,943	-
Air Evac Lifeteam	-	925	925	-
Ind Dept Of Child Service	-	70,838	70,838	-
Wayne Co Clerk - G	-	1,849	1,849	-
Rush County Clerk	-	300	300	-
In State Central Coll Uni	-	440	440	-
Robert A Brothers, Truste	-	6,886	6,886	-
United States Treasury	-	1,520	1,520	-
Indiana Fire Fighters Pac	-	780	780	-
Airport Rotary Fund	40,771	93,490	87,173	47,088
Storm Water	1,628,660	939,349	372,852	2,195,157
Wastewater	1,611,261	3,154,890	2,787,986	1,978,165
Wastewater Debt Reserve	530,250	62,938	27,572	565,616
Water	933,717	2,440,908	2,266,531	1,108,094
Water Construction	1,689,528	930	21,473	1,668,985
Water Utility-Other #1	750	-	-	750
Totals	<u>\$ 16,426,899</u>	<u>\$ 40,007,209</u>	<u>\$ 38,313,668</u>	<u>\$ 18,120,440</u>

The notes to the financial statement(s) are an integral part of this statement.

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)

Note 1. 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 form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

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

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

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

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

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

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

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

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

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

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

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

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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. That report may be obtained by contacting:

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(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 Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan 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

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan 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.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF CONNERSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is 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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. 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

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Connersville's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF CONNERSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road & Street	Cemetery Fund	Airport Fund	Park Non-Reverting Fund	Restricted Donation
Cash and investments - beginning	\$ 5,006,552	\$ 438,270	\$ 194,722	\$ 27,703	\$ 112,732	\$ 18,417	\$ 10,845
Receipts:							
Taxes	5,125,881	386,435	-	-	84,876	-	-
Licenses and permits	100	25	-	-	-	-	-
Intergovernmental	2,640,142	563,695	60,989	-	5,418	-	-
Charges for services	1,529,752	15,600	-	-	14,920	26,585	-
Fines and forfeits	710	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	237,571	32,003	-	-	27,655	-	7,936
Total receipts	<u>9,534,156</u>	<u>997,758</u>	<u>60,989</u>	<u>-</u>	<u>132,869</u>	<u>26,585</u>	<u>7,936</u>
Disbursements:							
Personal services	6,619,731	620,859	-	-	7,223	-	-
Supplies	304,337	166,439	-	-	12,859	24,552	3,587
Other services and charges	2,103,022	246,916	44,328	7,751	117,483	-	8,871
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	34,987	38,125	-	-	21,858	-	53
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,029,559	10,047	-	511	2,973	-	-
Total disbursements	<u>10,091,636</u>	<u>1,082,386</u>	<u>44,328</u>	<u>8,262</u>	<u>162,396</u>	<u>24,552</u>	<u>12,511</u>
Excess (deficiency) of receipts over disbursements	<u>(557,480)</u>	<u>(84,628)</u>	<u>16,661</u>	<u>(8,262)</u>	<u>(29,527)</u>	<u>2,033</u>	<u>(4,575)</u>
Cash and investments - ending	<u>\$ 4,449,072</u>	<u>\$ 353,642</u>	<u>\$ 211,383</u>	<u>\$ 19,441</u>	<u>\$ 83,205</u>	<u>\$ 20,450</u>	<u>\$ 6,270</u>

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

	Indiana Housing Grant II	Continuing Education	Riverboat Fund	Drug Coalition Fund	Park Fund	Park Restricted Fund	Fire Act Grant 2008
Cash and investments - beginning	\$ -	\$ 12,365	\$ 238,336	\$ 1,015	\$ 231,653	\$ 458	\$ -
Receipts:							
Taxes	-	-	-	-	386,435	-	-
Licenses and permits	-	7,765	-	-	-	-	-
Intergovernmental	30,630	-	96,443	-	224,665	-	124,223
Charges for services	-	1,214	-	-	134,717	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	6,506	16,511	-
Total receipts	<u>30,630</u>	<u>8,979</u>	<u>96,443</u>	<u>-</u>	<u>752,323</u>	<u>16,511</u>	<u>124,223</u>
Disbursements:							
Personal services	-	-	-	-	455,732	-	-
Supplies	-	-	33,649	-	89,223	1,065	124,223
Other services and charges	30,630	12,062	61,491	-	154,130	4,486	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	71,400	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	53,536	-	-
Total disbursements	<u>30,630</u>	<u>12,062</u>	<u>166,540</u>	<u>-</u>	<u>752,621</u>	<u>5,551</u>	<u>124,223</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(3,083)</u>	<u>(70,097)</u>	<u>-</u>	<u>(298)</u>	<u>10,960</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,282</u>	<u>\$ 168,239</u>	<u>\$ 1,015</u>	<u>\$ 231,355</u>	<u>\$ 11,418</u>	<u>\$ -</u>

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

	Intermodal Feasibility Study	Energy Grant	ledc 21St Century Grant	Facade Program	Landfill/ Environmental Remediation	Cable Education Fund	Rainy Day Fund
Cash and investments - beginning	\$ 63,181	\$ -	\$ -	\$ -	\$ 335,000	\$ 194,955	\$ 321,656
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	190,538	-	2,000,000	10,000	341,067	-	-
Charges for services	-	-	-	-	-	270	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	3,159	5,976	178,193	-
Total receipts	<u>190,538</u>	<u>-</u>	<u>2,000,000</u>	<u>13,159</u>	<u>347,043</u>	<u>178,463</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	105,389	-
Supplies	-	-	-	-	-	11,412	-
Other services and charges	302,386	113,311	1,000,000	-	39,848	19,824	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	44,680	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>302,386</u>	<u>113,311</u>	<u>1,000,000</u>	<u>-</u>	<u>39,848</u>	<u>181,305</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(111,848)</u>	<u>(113,311)</u>	<u>1,000,000</u>	<u>13,159</u>	<u>307,195</u>	<u>(2,842)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (48,667)</u>	<u>\$ (113,311)</u>	<u>\$ 1,000,000</u>	<u>\$ 13,159</u>	<u>\$ 642,195</u>	<u>\$ 192,113</u>	<u>\$ 321,656</u>

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

	Seminar Training Fund	Levy Excess Fund	Je Roberts Feasibility Study	Lawrenceburg Grant	Revolving Loan	Ruff Drug Fund	Tax Abatement Fund
Cash and investments - beginning	\$ 4,019	\$ -	\$ 2,000	\$ -	\$ -	\$ 331	\$ 1,568
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,000,000	-	27,000	-
Charges for services	-	23,906	-	-	41,378	17,500	300
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	20,694	-
Total receipts	<u>-</u>	<u>23,906</u>	<u>-</u>	<u>3,000,000</u>	<u>41,378</u>	<u>65,194</u>	<u>300</u>
Disbursements:							
Personal services	-	-	-	-	-	1,304	-
Supplies	-	-	-	-	-	658	-
Other services and charges	100	-	2,000	2,593,292	41,378	62,235	13
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>100</u>	<u>-</u>	<u>2,000</u>	<u>2,593,292</u>	<u>41,378</u>	<u>64,197</u>	<u>13</u>
Excess (deficiency) of receipts over disbursements	<u>(100)</u>	<u>23,906</u>	<u>(2,000)</u>	<u>406,708</u>	<u>-</u>	<u>997</u>	<u>287</u>
Cash and investments - ending	<u>\$ 3,919</u>	<u>\$ 23,906</u>	<u>\$ -</u>	<u>\$ 406,708</u>	<u>\$ -</u>	<u>\$ 1,328</u>	<u>\$ 1,855</u>

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

	Revolving Loan US Bank	Park Obligation Refunding Bond	Park Pool Debt Service	Park Miller Building Debt Service	Cumulative Capital Improvement	Cumulative Capital Development	Park Pool Bond Construction
Cash and investments - beginning	\$ 114,972	\$ -	\$ -	\$ 11,814	\$ 166,739	\$ 416,156	\$ 33,352
Receipts:							
Taxes	-	-	-	-	-	41,438	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	116,113	-	45,123	2,646	-
Charges for services	-	-	-	32,668	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	38,796	27,184	-	40,684	-	-	17
Total receipts	<u>38,796</u>	<u>27,184</u>	<u>116,113</u>	<u>73,352</u>	<u>45,123</u>	<u>44,084</u>	<u>17</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	51,378	26,975	116,113	73,468	34,211	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	11,260
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	61	-	-	-	-	2,201	-
Total disbursements	<u>51,439</u>	<u>26,975</u>	<u>116,113</u>	<u>73,468</u>	<u>34,211</u>	<u>2,201</u>	<u>11,260</u>
Excess (deficiency) of receipts over disbursements	<u>(12,643)</u>	<u>209</u>	<u>-</u>	<u>(116)</u>	<u>10,912</u>	<u>41,883</u>	<u>(11,243)</u>
Cash and investments - ending	<u>\$ 102,329</u>	<u>\$ 209</u>	<u>\$ -</u>	<u>\$ 11,698</u>	<u>\$ 177,651</u>	<u>\$ 458,039</u>	<u>\$ 22,109</u>

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

	Edit Fund	Airport Improvement	Non-Reverting Insurance	Police Pension	Fire Pension	James E Roberts Trust	Payroll
Cash and investments - beginning	\$ 30,968	\$ 65,018	\$ 478,144	\$ 662,421	\$ 774,324	\$ 17,587	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	160,624	183,572	-	501,549	968,524	-	-
Charges for services	-	-	2,031,410	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	50	-	-	243	3,416,825
Total receipts	<u>160,624</u>	<u>183,572</u>	<u>2,031,460</u>	<u>501,549</u>	<u>968,524</u>	<u>243</u>	<u>3,416,825</u>
Disbursements:							
Personal services	-	-	2,174,862	3,044	3,040	-	3,416,825
Supplies	-	-	-	58	228	131	-
Other services and charges	191,113	7,249	-	585,087	1,054,248	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	81,922	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	2,699	9,471	-	-
Total disbursements	<u>191,113</u>	<u>89,171</u>	<u>2,174,862</u>	<u>590,888</u>	<u>1,066,987</u>	<u>131</u>	<u>3,416,825</u>
Excess (deficiency) of receipts over disbursements	<u>(30,489)</u>	<u>94,401</u>	<u>(143,402)</u>	<u>(89,339)</u>	<u>(98,463)</u>	<u>112</u>	<u>-</u>
Cash and investments - ending	<u>\$ 479</u>	<u>\$ 159,419</u>	<u>\$ 334,742</u>	<u>\$ 573,082</u>	<u>\$ 675,861</u>	<u>\$ 17,699</u>	<u>\$ -</u>

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

	Deferred Comp Hartford	Perf	Federal Tax	In Dept Of Revenue	Fica	County Tax	Natco Credit Union
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	89,840	487,239	796,647	268,181	441,595	169,958	374,806
Total receipts	89,840	487,239	796,647	268,181	441,595	169,958	374,806
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	89,840	487,239	796,647	268,181	441,595	169,958	374,806
Total disbursements	89,840	487,239	796,647	268,181	441,595	169,958	374,806
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Lineco	Life Insurance	Health Insurance Key Benefit	Fayette County Treasurer	Lincoln National Life	Protective Life Insurance	Colonial Insurance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	247,513	33,128	2,044,236	7,030	2,194	127	618
Total receipts	247,513	33,128	2,044,236	7,030	2,194	127	618
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	247,513	33,128	2,033,215	7,030	2,194	127	618
Total disbursements	247,513	33,128	2,033,215	7,030	2,194	127	618
Excess (deficiency) of receipts over disbursements	-	-	11,021	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 11,021	\$ -	\$ -	\$ -	\$ -

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

	Prudential Insurance IRA	Rwdsu Welfare Fund	Union Dues	Ibew Cope	Medicare	Prudential Insurance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,399	470,128	13,879	144	168,443	464
Total receipts	<u>1,399</u>	<u>470,128</u>	<u>13,879</u>	<u>144</u>	<u>168,443</u>	<u>464</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,399	470,128	13,879	144	168,443	464
Total disbursements	<u>1,399</u>	<u>470,128</u>	<u>13,879</u>	<u>144</u>	<u>168,443</u>	<u>464</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Direct Deposit Clearing	Fayette County Clerk G	Siho Insurance Services	Fire Union Dues	Fop Union Dues	Utility Union Dues
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 4,689	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	<u>2,277,352</u>	<u>15,230</u>	<u>17,700</u>	<u>15,759</u>	<u>4,814</u>	<u>9,445</u>
Total receipts	<u>2,277,352</u>	<u>15,230</u>	<u>17,700</u>	<u>15,759</u>	<u>4,814</u>	<u>9,445</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>2,277,352</u>	<u>15,230</u>	<u>17,700</u>	<u>15,759</u>	<u>6,889</u>	<u>9,445</u>
Total disbursements	<u>2,277,352</u>	<u>15,230</u>	<u>17,700</u>	<u>15,759</u>	<u>6,889</u>	<u>9,445</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(2,075)	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,614</u>	<u>\$ -</u>

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

	Prudential C	Pol & Fire Ins. Assoc.	Air Evac Lifeteam	Ind Dept Of Child Service	Wayne Co Clerk - G	Rush County Clerk
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	<u>1,505</u>	<u>14,943</u>	<u>925</u>	<u>70,838</u>	<u>1,849</u>	<u>300</u>
Total receipts	<u>1,505</u>	<u>14,943</u>	<u>925</u>	<u>70,838</u>	<u>1,849</u>	<u>300</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>1,505</u>	<u>14,943</u>	<u>925</u>	<u>70,838</u>	<u>1,849</u>	<u>300</u>
Total disbursements	<u>1,505</u>	<u>14,943</u>	<u>925</u>	<u>70,838</u>	<u>1,849</u>	<u>300</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	In State Central Coll Uni	Robert A Brothers, Truste	United States Treasury	Indiana Fire Fighters Pac	Airport Rotary Fund	Storm Water
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 40,771	\$ 1,628,660
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	93,490	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	798,083
Penalties	-	-	-	-	-	9,768
Other receipts	440	6,886	1,520	780	-	131,498
Total receipts	<u>440</u>	<u>6,886</u>	<u>1,520</u>	<u>780</u>	<u>93,490</u>	<u>939,349</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	82,397	369,774
Other disbursements	440	6,886	1,520	780	4,776	3,078
Total disbursements	<u>440</u>	<u>6,886</u>	<u>1,520</u>	<u>780</u>	<u>87,173</u>	<u>372,852</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	6,317	566,497
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,088</u>	<u>\$ 2,195,157</u>

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

	Wastewater	Wastewater Debt Reserve	Water	Water Construction	Water Utility-Other #1	Totals
Cash and investments - beginning	\$ 1,611,261	\$ 530,250	\$ 933,717	\$ 1,689,528	\$ 750	\$ 16,426,899
Receipts:						
Taxes	-	-	-	-	-	6,025,065
Licenses and permits	-	-	-	-	-	7,890
Intergovernmental	-	-	-	-	-	11,292,961
Charges for services	-	-	-	-	-	3,963,710
Fines and forfeits	-	-	-	-	-	710
Utility fees	2,932,151	62,866	2,155,739	-	-	5,948,839
Penalties	46,762	-	13,580	-	-	70,110
Other receipts	175,977	72	271,589	930	-	12,697,924
Total receipts	<u>3,154,890</u>	<u>62,938</u>	<u>2,440,908</u>	<u>930</u>	<u>-</u>	<u>40,007,209</u>
Disbursements:						
Personal services	-	-	-	-	-	13,408,009
Supplies	-	-	-	-	-	772,421
Other services and charges	-	-	-	-	-	9,105,399
Debt service - principal and interest	340,998	5,061	487,536	-	-	833,595
Capital outlay	20,261	-	3,668	13,453	-	341,667
Utility operating expenses	1,602,921	-	1,400,101	8,020	-	3,463,213
Other disbursements	823,806	22,511	375,226	-	-	10,389,364
Total disbursements	<u>2,787,986</u>	<u>27,572</u>	<u>2,266,531</u>	<u>21,473</u>	<u>-</u>	<u>38,313,668</u>
Excess (deficiency) of receipts over disbursements	<u>366,904</u>	<u>35,366</u>	<u>174,377</u>	<u>(20,543)</u>	<u>-</u>	<u>1,693,541</u>
Cash and investments - ending	<u>\$ 1,978,165</u>	<u>\$ 565,616</u>	<u>\$ 1,108,094</u>	<u>\$ 1,668,985</u>	<u>\$ 750</u>	<u>\$ 18,120,440</u>

CITY OF CONNERSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,790,307
Infrastructure	2,900,967
Buildings	4,254,625
Improvements other than buildings	2,527,011
Machinery and equipment	6,069,904
Construction in progress	<u>2,676,842</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 21,219,656</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 58,099
Construction in progress	2,798,240
Buildings	5,727,603
Improvements other than buildings	3,174,768
Machinery and equipment	<u>707,951</u>
Total Water Utility capital assets	<u>12,466,661</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	338,737
Construction in progress	5,490,649
Buildings	5,963,372
Improvements other than buildings	228,047
Machinery and equipment	<u>3,023,297</u>
Total Wastewater Utility capital assets	<u>15,044,102</u>
Storm Water Utility:	
Capital assets, not being depreciated:	
Land	8,533
Construction in progress	25,793
Buildings	1,629,475
Improvements other than buildings	54,409
Machinery and equipment	<u>151,863</u>
Total Storm Water Utility capital assets	<u>1,870,073</u>
Total business-type activities capital assets	<u>\$ 29,380,836</u>

CITY OF CONNERSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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:		
Dump Truck, Body and Loader	\$ 19,067	\$ 19,502
Ambulance	65,090	6,987
Injection Street Patching Machine	50,455	11,748
Revenue bonds:		
Construction of Community Center	625,000	71,205
Construction of Community Swimming Pool	<u>1,165,000</u>	<u>113,563</u>
Total governmental activities debt	<u>\$ 1,924,612</u>	<u>\$ 223,005</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks Improvement and Extensions	\$ 3,645,000	\$ 249,836
Watermain and Treatment Improvements	<u>2,235,000</u>	<u>323,142</u>
Total Water Utility	<u>5,880,000</u>	<u>572,978</u>
Wastewater Utility:		
Revenue bonds:		
Plant and Collection System Improvement	3,360,000	478,650
Environmental Remediation	<u>1,137,396</u>	<u>5,061</u>
Total Wastewater Utility	<u>4,497,396</u>	<u>483,711</u>
Total business-type activities debt	<u>\$ 10,377,396</u>	<u>\$ 1,056,689</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

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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 CONNERSVILLE, FAYETTE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Connersville (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, 2010. 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, 2010.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the City's management, Common Council of the City, others within the entity, 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 27, 2011

CITY OF CONNERSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program Housing Grant	14.228		\$ 30,630
Total for federal grantor agency			<u>30,630</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Edward Byrnes Memorial Formula Grant Program	16.579	09-DJ-022	<u>27,000</u>
Total for federal grantor agency			<u>27,000</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Intermodal Feasibility Study 20th Street Project	20.205	DES #0810106 DES #0400014	190,538 <u>74,438</u>
Total for cluster			<u>264,976</u>
Highway Safety Cluster State and Community Highway Safety Operation Pullover	20.600	OP-11-02-01-79	<u>1,100</u>
Safety Belt Performance Grants Operation Pullover	20.609	OP-10-02-01-85	<u>4,000</u>
Total for cluster			<u>5,100</u>
Direct Grant Airport Improvement Program	20.106	AIP 3-18-0013-012 AIP 3-18-0013-016	5,449 <u>38,922</u>
Total for program			<u>44,371</u>
Total for federal grantor agency			<u>314,447</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Indiana Office of Energy Development State Energy Program ARRA - Energy Efficiency and Conservation Block Grant	81.041	11-EECBG-01-009	<u>113,311</u>
Total for federal grantor agency			<u>113,311</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Disaster No. 1795	97.036		<u>2,573</u>
Assistance to Firefighters Grant Fire Act Grant	97.044	EMW-2008-FO-11195	<u>124,223</u>
Total for federal grantor agency			<u>126,796</u>
Total federal awards expended			<u>\$ 612,184</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CONNERSVILLE
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Connersville (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF CONNERSVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

EXIT CONFERENCE

The contents of this report were discussed on June 27, 2011, with Julie A. Greeson, Clerk-Treasurer; Leonard E. Urban, Mayor; Karen L. Lore, Utility Office Manager; William Ammerman, Director of Utilities; and Richard C. O'Neal, President of the Common Council. Our report disclosed no material items that warrant comment at this time.