

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

ANNUAL FINANCIAL REPORT

2010

CITY OF TELL CITY

PERRY COUNTY, INDIANA



**FILED**  
08/08/2011



## 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 .....	18-32
Schedule of Capital Assets.....	33
Schedule of Long-Term Debt .....	34
Audit Result(s) and Comment(s): Overdrawn Fund Balances .....	35
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.....	38-39
Schedule of Expenditures of Federal Awards .....	40-41
Note(s) to Schedule of Expenditures of Federal Awards .....	42
Schedule of Findings and Questioned Costs .....	43
Auditee Prepared Schedule(s): Summary Schedule of Prior Audit Findings .....	44
Exit Conference.....	45
Official Response .....	46

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jenny S. Richter	01-01-08 to 12-31-11
Mayor	Barbara L. Ewing	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Barbara L. Ewing	01-01-08 to 12-31-11
President of the Common Council	Gerald W. Yackle	01-01-10 to 12-31-11
Superintendent of Water Utility	R. Dale Poole	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Bruce W. Badger	01-01-10 to 12-31-11
Superintendent of Electric Utility	Marlow J. Smethurst	01-01-10 to 12-31-11
Water Utility Bookkeeper	Bonnie S. Stiff	01-01-10 to 12-31-11
Wastewater Utility Bookkeeper	Shelly R. Linne	01-01-10 to 12-31-11
Electric Utility Office Manager	Marcia F. Parker	01-01-01 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CITY OF TELL CITY, PERRY COUNTY, INDIANA

We have audited the accompanying financial statements of the City of Tell City (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 present 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 28, 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.

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

Our audit was conducted for the purpose of forming 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. 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 statement(s). 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 statement(s) and, accordingly, we express no opinion on them.

The City's response to the Audit Result(s) and Comment(s) identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, 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 28, 2011



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 TELL CITY, PERRY COUNTY, INDIANA

We have audited the financial statements of the City of Tell City (City), for the year ended December 31, 2010, and have issued our report thereon dated June 28, 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, 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 28, 2011

FINANCIAL STATEMENT(S)

CITY OF TELL CITY  
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	\$ 569,487	\$ 4,027,892	\$ 4,085,246	\$ 512,133
Motor Vehicle Highway	41,883	260,554	277,837	24,600
Local Road & Street	28,483	29,485	57,788	180
Alcohol Enforcement	1,513	-	-	1,513
Donations	30,483	3,714	8,198	25,999
Economic Development Commission	24,900	88,949	48,047	65,802
Cdbg	210,489	31,500	200,000	41,989
Local Law Enforcement	16,780	7,908	-	24,688
Riverboat	31,591	49,094	31,258	49,427
Rainy Day	128,351	132,251	-	260,602
Total Monies Investment	-	5,313	4,642	671
Dare	30	-	-	30
Levy Excess	-	5,731	-	5,731
Schergens Escrow	1,396	16,150	8,523	9,023
Tc Port	204,236	14,174	3,145	215,265
Brownfield Loan	167,813	-	-	167,813
Tc Electric Promotional Account	700	2,500	3,168	32
Seat Belt Grant/Operation Pullover	287	5,875	5,773	389
Waste Tire Grant	10,108	-	-	10,108
Tc Revolving Loan-Edc	149,895	35,683	28	185,550
Irp Revolving Loan	107,276	15,245	56,092	66,429
Columbarium	3,440	-	-	3,440
Community Masoleums	18,328	-	-	18,328
Schergens Communication	67	-	-	67
Schergens Center Concessions	4,250	4,195	3,394	5,051
Pool Concession Fund	2,379	9,373	8,401	3,351
Clemens Lights Lease	11,071	25,000	30,015	6,056
Edc-Donation	3,637	-	-	3,637
Riverwalk/Comm Foundation	14,016	35,597	52,712	(3,099)
Fenn	4,855	-	-	4,855
Revolving Loan Investment	114,308	228	229	114,307
Brownfield Grant	1	-	-	1
Trash Collection	57,621	403,777	440,418	20,980
Hud Housing Rlf	154,109	30,485	39,840	144,754
Wellness	-	8,168	6,651	1,517
Eecbg	-	41,863	70,533	(28,670)
Pestolozzi Ditch Project	-	437,316	437,316	-
Impa - Street Light Grant	-	43,361	43,361	-
River Road Improvement	-	66,380	66,380	-
Criminal Justice Institute Grant Jag	-	40,477	40,477	-
Police Lease/Rental	59,485	109,684	116,750	52,419
Cumulative Capital Improvement	56,739	22,970	14,396	65,313
Cumulative Capital Development	26,632	55,908	23,554	58,986
Edit	224,581	764,382	533,956	455,007
Edit Reserve	248,730	144,796	103,756	289,770
Tell City Chair Property	70,666	-	-	70,666
Neighborhood Stabilization Program	-	1,390,735	1,389,646	1,089
Safe Routes To Schools	-	63,000	63,000	-
Transportation Enhancement	-	111,840	75,798	36,042
Self-Insurance Employee Benefit	21	1,100,576	1,108,190	(7,593)
Police Pension	73,588	113,587	110,382	76,793

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

CITY OF TELL CITY  
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
Cemetery Perpetuity	11,893	123	-	12,016
Payroll Net Salaries	-	693,714	693,714	-
Payroll Def Comp	-	12,910	12,910	-
Payroll Tax Eft	18,290	515,296	513,880	19,706
Payroll Perf	-	69,083	69,083	-
Surplus Barrett Law	15,259	-	-	15,259
Payroll Fed W/H	-	215,629	215,629	-
Payroll State	-	80,132	80,132	-
Payroll Fica	-	230,350	230,350	-
Payroll County Tax	-	24,592	24,592	-
Payroll Life	-	10,213	10,213	-
Payroll Health Insurance	-	581,908	581,908	-
Payroll Dental Insurance	-	21,066	21,066	-
Payroll Cancer Ins	-	11,779	11,779	-
United Way Perry County	-	896	896	-
Payroll Medicare	-	69,317	69,317	-
Dd German American	-	395,768	395,768	-
Payroll In Police Pension	-	29,179	29,179	-
Payroll Garn	-	3,640	3,640	-
Dd Fifth Third Bank	-	345,019	345,019	-
Dd Old Nat'L Bank	-	286,945	286,945	-
Dd Toyota Fed Credit Union	-	19,608	19,608	-
Dd Independence Bank	-	30,438	30,438	-
Payroll Garn	-	3,380	3,380	-
Gross Tax-Eft	550	-	-	550
Electric Payroll-Eft	-	1,206,522	1,206,522	-
Dd Woodforest Natl Bank	-	2,310	2,310	-
Freedom Bank	-	16,738	16,738	-
Electric Operating	1,242,677	15,117,564	15,279,542	1,080,699
Electric Operating Reserve	1,180,000	135,000	-	1,315,000
Electric Expansion Reserve	1,801,564	606,000	-	2,407,564
Electric Waupaca Depreciation Reserve	30,600	20,400	-	51,000
Electric Customer Deposit	229,569	49,845	45,039	234,375
Wastewater Cso Debt Service Reserve	-	351,624	-	351,624
Wastewater Cso/Srf Bond And Interest	-	358,665	120,439	238,226
Wastewater Bond And Interest	157,072	262,191	292,316	126,947
Wastewater Construction	17,597	3,456,542	3,456,536	17,603
Wastewater Debt Service Reserve	288,138	1,816	289,954	-
Wastewater Operating	363,375	6,077,491	5,500,319	940,547
Wastewater Tc/Btc Construction	13,970	1	1	13,970
Water Debt Service Res 1999A	69,623	-	-	69,623
Water Debt Service Res 2005A	268,069	-	-	268,069
Water Debt Serv Res 2005B	141,533	-	-	141,533
Water Debt Service Reserve 2000B	47,384	-	-	47,384
Water Operating	218,964	1,951,413	1,584,635	585,742
Water Bond And Interest	31,221	522,763	523,873	30,111
Waterworks Construction	3,257	5	5	3,257
Water Waupaca Depreciation And Improvement	291,979	326,395	305,574	312,800
	<u>\$ 9,316,809</u>	<u>\$ 43,869,986</u>	<u>\$ 41,842,149</u>	<u>\$ 11,344,646</u>

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

CITY OF TELL CITY  
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 TELL CITY  
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 TELL CITY  
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 TELL CITY  
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 TELL CITY  
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. 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:

CITY OF TELL CITY  
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*

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

The City also contributes to additional pension plan(s) unique to the City. Information regarding these plans may be obtained from the City.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Tell City's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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

	General	Motor Vehicle Highway	Local Road & Street	Alcohol Enforcement	Donations	Economic Development Commission	Cdbg
Cash and investments - beginning	\$ 569,487	\$ 41,883	\$ 28,483	\$ 1,513	\$ 30,483	\$ 24,900	\$ 210,489
Receipts:							
Taxes	1,682,916	-	-	-	-	-	-
Licenses and permits	14,096	-	-	-	-	-	-
Intergovernmental	557,801	260,554	29,485	-	-	-	-
Charges for services	520,216	-	-	-	-	-	-
Fines and forfeits	14,059	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,238,804	-	-	-	3,714	88,949	31,500
Total receipts	<u>4,027,892</u>	<u>260,554</u>	<u>29,485</u>	<u>-</u>	<u>3,714</u>	<u>88,949</u>	<u>31,500</u>
Disbursements:							
Personal services	1,966,891	144,324	-	-	-	45,080	-
Supplies	154,743	-	-	-	-	162	-
Other services and charges	862,278	133,513	57,788	-	-	998	-
Debt service - principal and interest	16,559	-	-	-	-	-	-
Capital outlay	67,252	-	-	-	-	1,807	200,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,017,523	-	-	-	8,198	-	-
Total disbursements	<u>4,085,246</u>	<u>277,837</u>	<u>57,788</u>	<u>-</u>	<u>8,198</u>	<u>48,047</u>	<u>200,000</u>
Excess (deficiency) of receipts over disbursements	<u>(57,354)</u>	<u>(17,283)</u>	<u>(28,303)</u>	<u>-</u>	<u>(4,484)</u>	<u>40,902</u>	<u>(168,500)</u>
Cash and investments - ending	<u>\$ 512,133</u>	<u>\$ 24,600</u>	<u>\$ 180</u>	<u>\$ 1,513</u>	<u>\$ 25,999</u>	<u>\$ 65,802</u>	<u>\$ 41,989</u>

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

	Local Law Enforcement	Riverboat	Rainy Day	Total Monies Investment	Dare	Levy Excess	Schergens Escrow
Cash and investments - beginning	\$ 16,780	\$ 31,591	\$ 128,351	\$ -	\$ 30	\$ -	\$ 1,396
Receipts:							
Taxes	-	-	-	-	-	5,731	-
Licenses and permits	3,940	-	-	-	-	-	-
Intergovernmental	-	49,094	132,251	-	-	-	-
Charges for services	3,152	-	-	-	-	-	16,150
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	816	-	-	5,313	-	-	-
Total receipts	<u>7,908</u>	<u>49,094</u>	<u>132,251</u>	<u>5,313</u>	<u>-</u>	<u>5,731</u>	<u>16,150</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	8,523
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	31,258	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	4,642	-	-	-
Total disbursements	<u>-</u>	<u>31,258</u>	<u>-</u>	<u>4,642</u>	<u>-</u>	<u>-</u>	<u>8,523</u>
Excess (deficiency) of receipts over disbursements	<u>7,908</u>	<u>17,836</u>	<u>132,251</u>	<u>671</u>	<u>-</u>	<u>5,731</u>	<u>7,627</u>
Cash and investments - ending	<u>\$ 24,688</u>	<u>\$ 49,427</u>	<u>\$ 260,602</u>	<u>\$ 671</u>	<u>\$ 30</u>	<u>\$ 5,731</u>	<u>\$ 9,023</u>

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

	Tc Port	Brownfield Loan	Tc Electric Promotional Account	Seat Belt Grant/Operation Pullover	Waste Tire Grant	Tc Revolving Loan-Edc	Irp Revolving Loan
Cash and investments - beginning	\$ 204,236	\$ 167,813	\$ 700	\$ 287	\$ 10,108	\$ 149,895	\$ 107,276
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	5,875	-	-	-
Charges for services	14,174	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	2,500	-	-	35,683	15,245
Total receipts	<u>14,174</u>	<u>-</u>	<u>2,500</u>	<u>5,875</u>	<u>-</u>	<u>35,683</u>	<u>15,245</u>
Disbursements:							
Personal services	-	-	-	5,773	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,145	-	3,168	-	-	28	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	56,092
Total disbursements	<u>3,145</u>	<u>-</u>	<u>3,168</u>	<u>5,773</u>	<u>-</u>	<u>28</u>	<u>56,092</u>
Excess (deficiency) of receipts over disbursements	<u>11,029</u>	<u>-</u>	<u>(668)</u>	<u>102</u>	<u>-</u>	<u>35,655</u>	<u>(40,847)</u>
Cash and investments - ending	<u>\$ 215,265</u>	<u>\$ 167,813</u>	<u>\$ 32</u>	<u>\$ 389</u>	<u>\$ 10,108</u>	<u>\$ 185,550</u>	<u>\$ 66,429</u>

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

	<u>Columbarium</u>	<u>Community Masoleums</u>	<u>Schergens Communication</u>	<u>Schergens Center Concessions</u>	<u>Pool Concession Fund</u>	<u>Clemens Lights Lease</u>	<u>Edc-Donation</u>
Cash and investments - beginning	\$ 3,440	\$ 18,328	\$ 67	\$ 4,250	\$ 2,379	\$ 11,071	\$ 3,637
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	4,195	9,373	-	-
Fines and forfeits	-	-	-	-	-	25,000	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	4,195	9,373	25,000	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	8,401	-	-
Other services and charges	-	-	-	3,394	-	-	-
Debt service - principal and interest	-	-	-	-	-	30,015	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	3,394	8,401	30,015	-
Excess (deficiency) of receipts over disbursements	-	-	-	801	972	(5,015)	-
Cash and investments - ending	\$ 3,440	\$ 18,328	\$ 67	\$ 5,051	\$ 3,351	\$ 6,056	\$ 3,637

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

	Riverwalk/Comm Foundation	Fenn	Revolving Loan Investment	Brownfield Grant	Trash Collection	Hud Housing Rif	Wellness
Cash and investments - beginning	\$ 14,016	\$ 4,855	\$ 114,308	\$ 1	\$ 57,621	\$ 154,109	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	35,597	-	-	-	-	-	-
Charges for services	-	-	-	-	403,777	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	228	-	-	30,485	8,168
Total receipts	<u>35,597</u>	<u>-</u>	<u>228</u>	<u>-</u>	<u>403,777</u>	<u>30,485</u>	<u>8,168</u>
Disbursements:							
Personal services	-	-	-	-	206,296	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	234,122	-	6,651
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	52,712	-	-	-	-	39,840	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	229	-	-	-	-
Total disbursements	<u>52,712</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>440,418</u>	<u>39,840</u>	<u>6,651</u>
Excess (deficiency) of receipts over disbursements	<u>(17,115)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(36,641)</u>	<u>(9,355)</u>	<u>1,517</u>
Cash and investments - ending	<u>\$ (3,099)</u>	<u>\$ 4,855</u>	<u>\$ 114,307</u>	<u>\$ 1</u>	<u>\$ 20,980</u>	<u>\$ 144,754</u>	<u>\$ 1,517</u>

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

	Eecbg	Pestolozzi Ditch Project	Impa - Street Light Grant	River Road Improvement	Criminal Justice Institute Grant Jag	Police Lease/Rental	Cumulative Capital Improvement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,485	\$ 56,739
Receipts:							
Taxes	-	-	-	-	-	99,736	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	41,863	437,316	43,361	66,380	40,477	8,198	22,970
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,750	-
Total receipts	<u>41,863</u>	<u>437,316</u>	<u>43,361</u>	<u>66,380</u>	<u>40,477</u>	<u>109,684</u>	<u>22,970</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	115,000	-
Capital outlay	70,533	437,316	43,361	66,380	40,477	-	14,396
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,750	-
Total disbursements	<u>70,533</u>	<u>437,316</u>	<u>43,361</u>	<u>66,380</u>	<u>40,477</u>	<u>116,750</u>	<u>14,396</u>
Excess (deficiency) of receipts over disbursements	<u>(28,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,066)</u>	<u>8,574</u>
Cash and investments - ending	<u>\$ (28,670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,419</u>	<u>\$ 65,313</u>

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

	Cumulative Capital Development	Edit	Edit Reserve	Tell City Chair Property	Neighborhood Stabilization Program	Safe Routes To Schools	Transportation Enhancement
Cash and investments - beginning	\$ 26,632	\$ 224,581	\$ 248,730	\$ 70,666	\$ -	\$ -	\$ -
Receipts:							
Taxes	51,662	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,246	764,382	144,796	-	1,390,735	63,000	111,840
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>55,908</u>	<u>764,382</u>	<u>144,796</u>	<u>-</u>	<u>1,390,735</u>	<u>63,000</u>	<u>111,840</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	161,331	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	23,554	372,625	-	-	1,389,646	63,000	75,798
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	103,756	-	-	-	-
Total disbursements	<u>23,554</u>	<u>533,956</u>	<u>103,756</u>	<u>-</u>	<u>1,389,646</u>	<u>63,000</u>	<u>75,798</u>
Excess (deficiency) of receipts over disbursements	<u>32,354</u>	<u>230,426</u>	<u>41,040</u>	<u>-</u>	<u>1,089</u>	<u>-</u>	<u>36,042</u>
Cash and investments - ending	<u>\$ 58,986</u>	<u>\$ 455,007</u>	<u>\$ 289,770</u>	<u>\$ 70,666</u>	<u>\$ 1,089</u>	<u>\$ -</u>	<u>\$ 36,042</u>

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

	Self-Insurance Employee Benefit	Police Pension	Cemetery Perpetuity	Payroll Net Salaries	Payroll Def Comp	Payroll Tax Eft	Payroll Perf
Cash and investments - beginning	\$ 21	\$ 73,588	\$ 11,893	\$ -	\$ -	\$ 18,290	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	113,587	-	-	-	-	-
Charges for services	1,100,557	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	19	-	123	693,714	12,910	515,296	69,083
Total receipts	<u>1,100,576</u>	<u>113,587</u>	<u>123</u>	<u>693,714</u>	<u>12,910</u>	<u>515,296</u>	<u>69,083</u>
Disbursements:							
Personal services	-	110,282	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	236,180	100	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	872,010	-	-	693,714	12,910	513,880	69,083
Total disbursements	<u>1,108,190</u>	<u>110,382</u>	<u>-</u>	<u>693,714</u>	<u>12,910</u>	<u>513,880</u>	<u>69,083</u>
Excess (deficiency) of receipts over disbursements	<u>(7,614)</u>	<u>3,205</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>1,416</u>	<u>-</u>
Cash and investments - ending	<u>\$ (7,593)</u>	<u>\$ 76,793</u>	<u>\$ 12,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,706</u>	<u>\$ -</u>

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

	Surplus Barrett Law	Payroll Fed W/H	Payroll State	Payroll Fica	Payroll County Tax	Payroll Life	Payroll Health Insurance
Cash and investments - beginning	\$ 15,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	215,629	80,132	230,350	24,592	10,213	581,908
Total receipts	-	215,629	80,132	230,350	24,592	10,213	581,908
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	215,629	80,132	230,350	24,592	10,213	581,908
Total disbursements	-	215,629	80,132	230,350	24,592	10,213	581,908
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 15,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Payroll Dental Insurance	Payroll Cancer Ins	United Way Perry County	Payroll Medicare	Dd German American	Payroll In Police Pension	Payroll Garn
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	21,066	11,779	896	69,317	395,768	29,179	3,640
Total receipts	<u>21,066</u>	<u>11,779</u>	<u>896</u>	<u>69,317</u>	<u>395,768</u>	<u>29,179</u>	<u>3,640</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,066	11,779	896	69,317	395,768	29,179	3,640
Total disbursements	<u>21,066</u>	<u>11,779</u>	<u>896</u>	<u>69,317</u>	<u>395,768</u>	<u>29,179</u>	<u>3,640</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Dd Fifth Third Bank	Dd Old Nat'L Bank	Dd Toyota Fed Credit Union	Dd Independence Bank	Payroll Garn	Gross Tax-Eft
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	345,019	286,945	19,608	30,438	3,380	-
Total receipts	<u>345,019</u>	<u>286,945</u>	<u>19,608</u>	<u>30,438</u>	<u>3,380</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	345,019	286,945	19,608	30,438	3,380	-
Total disbursements	<u>345,019</u>	<u>286,945</u>	<u>19,608</u>	<u>30,438</u>	<u>3,380</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550</u>

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

	Electric Payroll-Eft	Dd Woodforest Natl Bank	Freedom Bank	Electric Operating	Electric Operating Reserve	Electric Expansion Reserve
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,242,677	\$ 1,180,000	\$ 1,801,564
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	14,992,837	-	-
Other receipts	1,206,522	2,310	16,738	124,727	135,000	606,000
Total receipts	<u>1,206,522</u>	<u>2,310</u>	<u>16,738</u>	<u>15,117,564</u>	<u>135,000</u>	<u>606,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	145,557	-	-
Utility operating expenses	-	-	-	13,570,242	-	-
Other disbursements	1,206,522	2,310	16,738	1,563,743	-	-
Total disbursements	<u>1,206,522</u>	<u>2,310</u>	<u>16,738</u>	<u>15,279,542</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(161,978)</u>	<u>135,000</u>	<u>606,000</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,080,699</u>	<u>\$ 1,315,000</u>	<u>\$ 2,407,564</u>

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

	Electric Waupaca Depreciation Reserve	Electric Customer Deposit	Wastewater Cso Debt Service Reserve	Wastewater Cso/Srf Bond And Interest	Wastewater Bond And Interest	Wastewater Construction
Cash and investments - beginning	\$ 30,600	\$ 229,569	\$ -	\$ -	\$ 157,072	\$ 17,597
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	20,400	49,845	351,624	358,665	262,191	3,456,542
Total receipts	<u>20,400</u>	<u>49,845</u>	<u>351,624</u>	<u>358,665</u>	<u>262,191</u>	<u>3,456,542</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	120,439	292,181	-
Capital outlay	-	-	-	-	-	3,456,536
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	45,039	-	-	135	-
Total disbursements	<u>-</u>	<u>45,039</u>	<u>-</u>	<u>120,439</u>	<u>292,316</u>	<u>3,456,536</u>
Excess (deficiency) of receipts over disbursements	<u>20,400</u>	<u>4,806</u>	<u>351,624</u>	<u>238,226</u>	<u>(30,125)</u>	<u>6</u>
Cash and investments - ending	<u>\$ 51,000</u>	<u>\$ 234,375</u>	<u>\$ 351,624</u>	<u>\$ 238,226</u>	<u>\$ 126,947</u>	<u>\$ 17,603</u>

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

	Wastewater Debt Service Reserve	Wastewater Operating	Wastewater Tc/Btc Construction	Water Debt Service Res 1999A	Water Debt Service Res 2005A	Water Debt Serv Res 2005B
Cash and investments - beginning	\$ 288,138	\$ 363,375	\$ 13,970	\$ 69,623	\$ 268,069	\$ 141,533
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	2,661,330	1	-	-	-
Other receipts	1,816	3,416,161	-	-	-	-
Total receipts	<u>1,816</u>	<u>6,077,491</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	400,000	-	-	-	-
Capital outlay	-	254,751	-	-	-	-
Utility operating expenses	-	1,484,182	-	-	-	-
Other disbursements	289,954	3,361,386	1	-	-	-
Total disbursements	<u>289,954</u>	<u>5,500,319</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(288,138)</u>	<u>577,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 940,547</u>	<u>\$ 13,970</u>	<u>\$ 69,623</u>	<u>\$ 268,069</u>	<u>\$ 141,533</u>

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

	Water Debt Service Reserve 2000B	Water Operating	Water Bond And Interest	Waterworks Construction	Water Waupaca Depreciation And Improvement	Totals
Cash and investments - beginning	\$ 47,384	\$ 218,964	\$ 31,221	\$ 3,257	\$ 291,979	\$ 9,316,809
Receipts:						
Taxes	-	-	-	-	-	1,840,045
Licenses and permits	-	-	-	-	-	18,036
Intergovernmental	-	-	-	-	-	4,323,808
Charges for services	-	-	-	-	-	2,071,594
Fines and forfeits	-	-	-	-	-	39,059
Utility fees	-	1,458,371	-	-	-	19,112,539
Other receipts	-	493,042	522,763	5	326,395	16,464,905
Total receipts	-	1,951,413	522,763	5	326,395	43,869,986
Disbursements:						
Personal services	-	-	-	-	-	2,478,646
Supplies	-	-	-	-	-	163,306
Other services and charges	-	-	-	-	-	1,711,219
Debt service - principal and interest	-	-	522,983	-	-	1,497,177
Capital outlay	-	41,878	-	-	12,482	6,901,159
Utility operating expenses	-	1,130,906	-	-	28,772	16,214,102
Other disbursements	-	411,851	890	5	264,320	12,876,540
Total disbursements	-	1,584,635	523,873	5	305,574	41,842,149
Excess (deficiency) of receipts over disbursements	-	366,778	(1,110)	-	20,821	2,027,837
Cash and investments - ending	\$ 47,384	\$ 585,742	\$ 30,111	\$ 3,257	\$ 312,800	\$ 11,344,646

CITY OF TELL CITY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended 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 are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. 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>City of Tell City</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 447,676
Infrastructure	4,839,062
Buildings	4,727,566
Improvements other than buildings	1,143,753
Machinery and equipment	<u>3,532,183</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 14,690,240</u>
<u>Tell City Water, Wastewater and Electric Utilities</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 11,724
Capital assets, being depreciated:	
Buildings	43,814
Improvements other than buildings	8,953,331
Machinery and equipment	589,997
Transportation equipment	<u>123,893</u>
Total Water Utility capital assets, being depreciated	<u>9,711,035</u>
Total Water Utility capital assets	<u>9,722,759</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	10,936
Construction in progress	<u>9,321,654</u>
Total Wastewater Utility capital assets, not being depreciated	<u>9,332,590</u>
Capital assets, being depreciated:	
Buildings	342,670
Improvements other than buildings	13,408,733
Machinery and equipment	476,011
Transportation equipment	<u>187,649</u>
Total Wastewater Utility capital assets, being depreciated	<u>14,415,063</u>
Total Wastewater Utility capital assets	<u>23,747,653</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	294,777
Construction in progress	<u>979,802</u>
Total Electric Utility capital assets, not being depreciated	<u>1,274,579</u>
Capital assets, being depreciated:	
Buildings	1,932,051
Improvements other than buildings	13,348,037
Machinery and equipment	5,336,301
Transportation equipment	189,595
Fully depreciated assets	<u>727,066</u>
Total Electric Utility capital assets, being depreciated	<u>21,533,050</u>
Total Electric Utility capital assets	<u>22,807,629</u>
Total business-type activities capital assets	<u>\$ 56,278,041</u>

CITY OF TELL CITY  
 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:		
Police department building	\$ 990,000	\$ 58,500
Trash compactor	41,639	17,617
Clemens field lights	28,534	30,014
Loans payable:		
Brownfields loan	455,526	46,145
USDA revolving loan	92,892	5,972
Total governmental activities debt	<u>\$ 1,608,591</u>	<u>\$ 158,248</u>
Business-type activities:		
Water Utility:		
Loans:		
2000 state revolving loan	\$ 855,000	\$ 12,398
Revenue bonds:		
1999 Series A Revenue Bonds	1,520,000	36,196
2005 Series A Revenue Bonds	1,320,000	37,210
Total Water Utility	<u>3,695,000</u>	<u>85,804</u>
Wastewater Utility:		
Loans:		
2006 state revolving loan	1,109,293	83,564
2010 state revolving loan	7,922,000	315,580
2010 supplemental state revolving loan	232,707	80,000
Revenue bonds:		
1999 Revenue Bonds	935,000	184,100
Total Wastewater Utility	<u>10,199,000</u>	<u>663,244</u>
Total business-type activities debt	<u>\$ 13,894,000</u>	<u>\$ 749,048</u>

CITY OF TELL CITY  
AUDIT RESULT(S) AND COMMENT(S)

***OVERDRAWN FUND BALANCES***

The Riverwalk/Community Foundation Fund, Energy Efficiency and Conservation Block Grant (EECBG) Fund, and Self-Insurance Fund were overdrawn at December 31, 2010. The Riverwalk/Community Foundation Fund and the Energy Efficiency and Conservation Block Grant (EECBG) Fund are reimbursement grant funds and the Self-Insurance Employee Benefit Fund is administered by a third-party payer.

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

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://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 TELL CITY, PERRY COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Tell City (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 program(s) 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 program(s) 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, the Common Council, 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 28, 2011

CITY OF TELL CITY  
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
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State-Administered Small Cities Program Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants to Hawaii	14.228		
CSO Grant (Disaster Recovery Fund)		DR2-09-062	\$ 3,456,535
Pestalozzi Ditch Grant (Disaster Recovery Fund)		DR2-09-027	409,596
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program and Non-Entitlement Grants to Hawaii	14.228		
Housing from Shelters to Home Ownership		HD-008-002	9,497
Housing from Shelters to Home Ownership		HD-009-023	10,300
Neighborhood Stabilization Program		NSP1-009-001	<u>1,172,844</u>
Total for federal grantor agency			<u>5,058,772</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
Pass-Through Indiana Criminal Justice Institute Edward Byrne Memorial Justice Assistance Grant Program 08(a)DJ035 JAG 10K & Under Equipment Grant (Radio)	16.738		
		2008-DJ-BX-0018	<u>9,909</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories 09-JRA-033 Tell City Police Car Purchase	16.803		
		2009-SU-B9-0047	<u>30,568</u>
Total for federal grantor agency			<u>40,477</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Riverwalk Project-Construction	20.205		
		EDS # A249-10-320505	373,958
ARRA - Highway Planning and Construction Riverwalk Project-Engineering	20.205		
		EDS # A249-10-320505	38,696
Safe Routes to Schools Elementary School to Library	20.205		
		EDS# A249-09-320658	63,000
Transportation Enhancement Library to Greenway	20.205		
		TE - PJT #1090060PD	<u>21,840</u>
Total for program			<u>497,494</u>
Pass-Through Indiana Department of Natural Resources Highway Planning and Construction Cluster Recreational Trails Program Riverwalk	20.219		
		RTP-06-006	<u>28,490</u>
Total for cluster			<u>525,984</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City/Big County Enforcement Program	20.600		
		PT-11-04-04-48	1,800
Safety Belt Performance Grants Operation Pullover FY 10	20.609		
		OP-10-02-02-15	<u>4,075</u>
Total for cluster			<u>5,875</u>
Total for federal grantor agency			<u>531,859</u>

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

CITY OF TELL CITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2010  
(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. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
Combined Sewer Overflow Project		WW 05 67 62 01	53,677
Long-Term Control Project		WW 09 03 62 02	<u>2,195,752</u>
Total for federal grantor agency			<u>2,249,429</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Indiana Office of Energy Development			
ARRA-Energy Efficiency and Conservation Block Grant Program	81.128		
Energy Efficiency Project		10-EECBG-01-004	<u>70,533</u>
Total for federal grantor agency			<u>70,533</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Assistance to Firefighters Grant	97.044		
Equipment Grant		EMW-2009-FO-02950	<u>11,400</u>
Total for federal grantor agency			<u>11,400</u>
Total federal awards expended			<u>\$ 7,962,470</u>

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

CITY OF TELL CITY  
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 Tell City (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 TELL CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	CDBG - State-Administered Small Cities Program Cluster Highway Planning and Construction Cluster Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee?	no
--	----

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

CITY OF TELL CITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF TELL CITY  
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2011, with Barbara L. Ewing, Mayor; Jenny S. Richter, Clerk-Treasurer; R. Dale Poole, Superintendent of Water Utility; Bruce W. Badger, Superintendent of Wastewater Utility; Marlow J. Smethurst, Superintendent of Electric Utility; Marcia F. Parker, Electric Utility Office Manager; and Joseph Malone, Electric Utility Service Board member. The Official Response has been made a part of this report and may be found on page 46.

P.O. Box 515  
Tell City, Indiana 47586  
Telephone: 812-547-5511  
Fax: 812-547-5111

# City of Tell City

**BARBARA EWING, MAYOR**

Jenny Richter, Clerk-Treasurer

**COUNCIL MEMBERS:**

Tony Hollinden  
John Little  
Gary Morton  
Dianne Rudolph  
Gerald Yackle

June 28, 2011

Mr. Bruce Hartman, CPA  
State Examiner  
Indiana State Board of Accounts  
302 West Washington Street, Room E418  
Indianapolis IN 46204-2765

Dear Mr. Hartman,

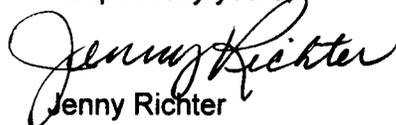
The City of Tell City just concluded an exit conference with the State Board of Accounts auditor June 28, 2011 with one comment entitled "Overdrawn Cash Balances". I understand it is board policy to reference a comment when any funds have a negative balance at year-end. The comment justifies a response and hopefully consideration for future audits.

The City of Tell City takes great pride in being selected a grant recipient. The City received two reimbursement grants for a Riverwalk and an Energy Efficiency and Conservation Block Grant. Both of these funds were in the negative on December 31, 2010. A reimbursement federal grant carries the risk of negative balances while waiting for reimbursement. This should not be perceived as intentional or reckless accounting, only following federal grant specifications. I have always understood that federal laws and regulations supersede state laws and regulations; thus, rendering the municipality vulnerable to the risk. Perhaps a SBOA written procedure adopted into the Accounting Manual could minimize this risk.

The City of Tell City is a self-insured health care plan administered by a third-party administrator, Dunn and Associates of Columbus, Indiana. In 2010 we experienced two cancer cases which bore a substantial burden on this account. This fund, a separate bank account, was also identified as having a negative ending balance as of December 31, 2010. I am unaware of the month end balance until Dunn and Associates forwards me the accounting after the month is closed.

As Clerk-Treasurer, I want to declare my dedication as I attend educational conferences to stay current of the ever-changing legislation so to execute the duties entrusted to me by my community and the state. I believe the comment is unwarranted under these circumstances. Therefore, I respectfully request your consideration of amending the language in "Overdrawn Funds" in Chapter 7 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns when there are extenuating circumstances. It is extremely unfortunate the language could insinuate "Routinely overdrawn funds could be an indicator of serious financial problems..." is absolutely not applicable in this situation. Again, your consideration would be appreciated.

Respectfully yours,



Jenny Richter  
Clerk-Treasurer, City of Tell City

cc: Mr. Charlie Pride  
cc: Mr. Todd Austin

cc: Barbara Ewing, Mayor  
cc: Gerald Yackle, Common Council President