

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

EXAMINATION REPORT
OF
CITY OF DECATUR
ADAMS COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
11/22/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6
Notes to Financial Statement.....	7-12
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-21
Schedule of Capital Assets.....	22
Schedule of Long-Term Debt	23
Other Report	24
Exit Conference.....	25

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Phyllis J. Whitright	01-01-08 to 12-31-11
Mayor	John L. Schultz	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	John L. Schultz	01-01-08 to 12-31-11
President of the Common Council	John L. Schultz	01-01-08 to 12-31-11
Superintendent of Water Utility	James E. Inskeep, Jr.	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Anne L. Butcher	01-01-10 to 12-31-11
Manager of Storm Water Utility	Joan A. Eichhorn	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF DECATUR, ADAMS COUNTY, INDIANA

We have examined the financial statement of the City of Decatur (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement 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 noted above is a different basis than that used in the prior year.

In our opinion, the financial statement 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.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

October 6, 2011

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FINANCIAL STATEMENT

CITY OF DECATUR
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	\$ 957,692	\$ 3,546,926	\$ 3,189,247	\$ 1,315,371
Motor Vehicle Highway	405,146	846,087	910,294	340,939
Local Road and Street	77,480	36,013	31,750	81,743
Park Nonreverting Operating	6,875	2,808	3,469	6,214
Fire Assistance Grant	8,105	33,302	37,127	4,280
LLECE	11,464	10,741	9,524	12,681
Deferral Program	1,136	237	-	1,373
Unsafe Building	12,313	-	-	12,313
Riverboat	186,815	59,626	25,337	221,104
Parks and Recreation	239,393	598,719	633,614	204,498
HMGP Flood Grant #2	153,477	-	62,676	90,801
Fire Report	484	30	224	290
Rainy Day	35,760	73,197	-	108,957
K-9	1,256	-	35	1,221
Levy Excess	-	9,532	-	9,532
Operation Pullover	123	5,651	5,768	6
Trees-New Construction	201	10,000	210	9,991
Police Nonreverting	7,255	1,474	1,295	7,434
CCD	644,647	163,784	99,852	708,579
CEDIT	585,700	288,974	194,786	679,888
Boy Scout Cabin Project	1,447	-	-	1,447
CCI	127,945	27,898	14,577	141,266
CFF Planning Grant	-	50,000	50,000	-
Police Pension	622,707	264,553	278,837	608,423
Fire Pension	347,229	163,145	154,602	355,772
Police Dare	747	50	-	797
Fire Non-Reverting Donations	2,608	200	-	2,808
Park Donation	5,051	1,255	2,133	4,173
Net Pays	-	2,627,525	2,627,525	-
Payroll Withholding-Federal	-	347,475	347,475	-
Payroll Withholding-State	9,910	120,197	120,240	9,867
Payroll County Withhold	2,790	33,565	33,605	2,750
Payroll Health Insurance	2,218	900,767	899,095	3,890
Payroll Withholdings-United Way	-	546	546	-
Payroll Withholdings-Medicare	-	82,804	82,804	-
Payroll FICA Withhold	-	253,222	253,222	-
Payroll Police and Fire PERF	17,987	264,427	264,518	17,896
Payroll Life Insurance	-	4,964	4,964	-
Payroll Credit Union	-	25,166	25,166	-
Payroll Deferred Comp	-	114,923	114,923	-
Payroll City PERF	22,099	249,753	251,973	19,879
Storm Water Utility-Operating	264,588	211,310	200,405	275,493
Wastewater Utility-Operating	661,899	2,063,812	2,282,010	443,701
Wastewater Utility-Depreciation	64,424	-	-	64,424
Wastewater Utility-SRF Bond and Interest	4,009	1,116,488	556,348	564,149
Wastewater Utility-SRF Debt Service Reserve	602,097	152,045	-	754,142
Wastewater Utility-SRF Construction	143,171	175	16,840	126,506
Wastewater Utility-PILOT Reserve	-	70,000	70,000	-
Water Utility-Operating	209,349	1,682,167	1,434,932	456,584
Water Utility-Bond and Interest	3,802	147,294	147,294	3,802
Water Utility-PILOT Reserve	-	46,342	46,342	-
Water Utility-Debt Reserve	41,228	14,986	-	56,214
Totals	<u>\$ 6,492,627</u>	<u>\$ 16,724,155</u>	<u>\$ 15,485,584</u>	<u>\$ 7,731,198</u>

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

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT

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, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents 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 statement is 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 statement. 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.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

License and permits which includes 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

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT
(Continued)

permit. Examples of license and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes, and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

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

Personal services which 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.

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT
(Continued)

Supplies which includes 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 includes, but is 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 includes 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.

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

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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.

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 were 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 statute (IC 5-13-9) authorizes 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 statement. 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 Plans

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

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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:

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 IC 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.

CITY OF DECATUR
NOTES TO FINANCIAL STATEMENT
(Continued)

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 IC 5-10.3-11.

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

CITY OF DECATUR
 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 and Street	Park Nonreverting Operating	Fire Assistance Grant	LLECE	Deferral Program
Cash and investments - beginning	\$ 957,692	\$ 405,146	\$ 77,480	\$ 6,875	\$ 8,105	\$ 11,464	\$ 1,136
Receipts:							
Taxes	1,918,605	557,059	-	-	-	-	-
Licenses and permits	12,108	-	-	-	-	3,810	-
Intergovernmental	822,807	285,973	36,013	-	33,302	-	-
Charges for services	656,649	1,980	-	2,808	-	2,049	-
Fines and forfeits	8,970	-	-	-	-	1,320	237
Utility fees	-	-	-	-	-	-	-
Other receipts	127,787	1,075	-	-	-	3,562	-
Total receipts	<u>3,546,926</u>	<u>846,087</u>	<u>36,013</u>	<u>2,808</u>	<u>33,302</u>	<u>10,741</u>	<u>237</u>
Disbursements:							
Personal services	2,596,071	420,808	-	-	-	-	-
Supplies	135,615	91,965	-	2,227	-	-	-
Other services and charges	427,106	389,161	31,750	1,242	37,127	9,524	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	30,455	8,360	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,189,247</u>	<u>910,294</u>	<u>31,750</u>	<u>3,469</u>	<u>37,127</u>	<u>9,524</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>357,679</u>	<u>(64,207)</u>	<u>4,263</u>	<u>(661)</u>	<u>(3,825)</u>	<u>1,217</u>	<u>237</u>
Cash and investments - ending	<u>\$ 1,315,371</u>	<u>\$ 340,939</u>	<u>\$ 81,743</u>	<u>\$ 6,214</u>	<u>\$ 4,280</u>	<u>\$ 12,681</u>	<u>\$ 1,373</u>

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

	Unsafe Building	Riverboat	Parks and Recreation	HMGP Flood Grant #2	Fire Report	Rainy Day	K-9
Cash and investments - beginning	\$ 12,313	\$ 186,815	\$ 239,393	\$ 153,477	\$ 484	\$ 35,760	\$ 1,256
Receipts:							
Taxes	-	-	459,786	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	59,626	32,443	-	-	73,197	-
Charges for services	-	-	105,181	-	-	-	-
Fines and forfeits	-	-	-	-	30	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	1,309	-	-	-	-
Total receipts	-	59,626	598,719	-	30	73,197	-
Disbursements:							
Personal services	-	-	519,109	-	-	-	-
Supplies	-	-	48,079	-	224	-	35
Other services and charges	-	25,337	60,196	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	6,230	-	-	-	-
Other disbursements	-	-	-	62,676	-	-	-
Total disbursements	-	25,337	633,614	62,676	224	-	35
Excess (deficiency) of receipts over disbursements	-	34,289	(34,895)	(62,676)	(194)	73,197	(35)
Cash and investments - ending	<u>\$ 12,313</u>	<u>\$ 221,104</u>	<u>\$ 204,498</u>	<u>\$ 90,801</u>	<u>\$ 290</u>	<u>\$ 108,957</u>	<u>\$ 1,221</u>

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

	Levy Excess	Operation Pullover	Trees-New Construction	Police Nonreverting	CCD	CEDIT	Boy Scout Cabin Project
Cash and investments - beginning	\$ -	\$ 123	\$ 201	\$ 7,255	\$ 644,647	\$ 585,700	\$ 1,447
Receipts:							
Taxes	-	-	-	-	152,953	-	-
Licenses and permits	-	-	2,400	-	-	-	-
Intergovernmental	9,532	5,651	7,500	-	10,831	288,974	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	1,399	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	100	75	-	-	-
Total receipts	<u>9,532</u>	<u>5,651</u>	<u>10,000</u>	<u>1,474</u>	<u>163,784</u>	<u>288,974</u>	<u>-</u>
Disbursements:							
Personal services	-	5,768	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	1,295	-	194,786	-
Debt service - principal and interest	-	-	-	-	99,852	-	-
Capital outlay	-	-	210	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>5,768</u>	<u>210</u>	<u>1,295</u>	<u>99,852</u>	<u>194,786</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>9,532</u>	<u>(117)</u>	<u>9,790</u>	<u>179</u>	<u>63,932</u>	<u>94,188</u>	<u>-</u>
Cash and investments - ending	<u>\$ 9,532</u>	<u>\$ 6</u>	<u>\$ 9,991</u>	<u>\$ 7,434</u>	<u>\$ 708,579</u>	<u>\$ 679,888</u>	<u>\$ 1,447</u>

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

	CCI	CFF Planning Grant	Police Pension	Fire Pension	Police Dare	Fire Non-Reverting Donations	Park Donation
Cash and investments - beginning	\$ 127,945	\$ -	\$ 622,707	\$ 347,229	\$ 747	\$ 2,608	\$ 5,051
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	27,898	50,000	262,112	162,243	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	2,441	902	50	200	1,255
Total receipts	<u>27,898</u>	<u>50,000</u>	<u>264,553</u>	<u>163,145</u>	<u>50</u>	<u>200</u>	<u>1,255</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	14,577	50,000	278,837	154,602	-	-	2,133
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>14,577</u>	<u>50,000</u>	<u>278,837</u>	<u>154,602</u>	<u>-</u>	<u>-</u>	<u>2,133</u>
Excess (deficiency) of receipts over disbursements	<u>13,321</u>	<u>-</u>	<u>(14,284)</u>	<u>8,543</u>	<u>50</u>	<u>200</u>	<u>(878)</u>
Cash and investments - ending	<u>\$ 141,266</u>	<u>\$ -</u>	<u>\$ 608,423</u>	<u>\$ 355,772</u>	<u>\$ 797</u>	<u>\$ 2,808</u>	<u>\$ 4,173</u>

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

	Net Pays	Payroll Withholding - Federal	Payroll Withholding - State	Payroll County Withhold	Payroll Health Insurance	Payroll Withholdings - United Way	Payroll Withholdings - Medicare
Cash and investments - beginning	\$ -	\$ -	\$ 9,910	\$ 2,790	\$ 2,218	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>2,627,525</u>	<u>347,475</u>	<u>120,197</u>	<u>33,565</u>	<u>900,767</u>	<u>546</u>	<u>82,804</u>
Total receipts	<u>2,627,525</u>	<u>347,475</u>	<u>120,197</u>	<u>33,565</u>	<u>900,767</u>	<u>546</u>	<u>82,804</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>2,627,525</u>	<u>347,475</u>	<u>120,240</u>	<u>33,605</u>	<u>899,095</u>	<u>546</u>	<u>82,804</u>
Total disbursements	<u>2,627,525</u>	<u>347,475</u>	<u>120,240</u>	<u>33,605</u>	<u>899,095</u>	<u>546</u>	<u>82,804</u>
Excess (deficiency) of receipts over disbursements	-	-	(43)	(40)	1,672	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,867</u>	<u>\$ 2,750</u>	<u>\$ 3,890</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll FICA Withhold	Payroll Police and Fire PERF	Payroll Life Insurance	Payroll Credit Union	Payroll Deferred Comp	Payroll City PERF
Cash and investments - beginning	\$ -	\$ 17,987	\$ -	\$ -	\$ -	\$ 22,099
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>253,222</u>	<u>264,427</u>	<u>4,964</u>	<u>25,166</u>	<u>114,923</u>	<u>249,753</u>
Total receipts	<u>253,222</u>	<u>264,427</u>	<u>4,964</u>	<u>25,166</u>	<u>114,923</u>	<u>249,753</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>253,222</u>	<u>264,518</u>	<u>4,964</u>	<u>25,166</u>	<u>114,923</u>	<u>251,973</u>
Total disbursements	<u>253,222</u>	<u>264,518</u>	<u>4,964</u>	<u>25,166</u>	<u>114,923</u>	<u>251,973</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,220)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,879</u>

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

	Storm Water Utility - Operating	Wastewater Utility - Operating	Wastewater Utility - Depreciation	Wastewater Utility - SRF Bond and Interest	Wastewater Utility - SRF Debt Service Reserve	Wastewater Utility - SRF Construction
Cash and investments - beginning	\$ 264,588	\$ 661,899	\$ 64,424	\$ 4,009	\$ 602,097	\$ 143,171
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	211,310	2,063,812	-	-	-	-
Other receipts	-	-	-	1,116,488	152,045	175
Total receipts	<u>211,310</u>	<u>2,063,812</u>	<u>-</u>	<u>1,116,488</u>	<u>152,045</u>	<u>175</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	16,840
Other disbursements	200,405	2,282,010	-	556,348	-	-
Total disbursements	<u>200,405</u>	<u>2,282,010</u>	<u>-</u>	<u>556,348</u>	<u>-</u>	<u>16,840</u>
Excess (deficiency) of receipts over disbursements	<u>10,905</u>	<u>(218,198)</u>	<u>-</u>	<u>560,140</u>	<u>152,045</u>	<u>(16,665)</u>
Cash and investments - ending	<u>\$ 275,493</u>	<u>\$ 443,701</u>	<u>\$ 64,424</u>	<u>\$ 564,149</u>	<u>\$ 754,142</u>	<u>\$ 126,506</u>

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

	Wastewater Utility - PILOT Reserve	Water Utility - Operating	Water Utility-Bond and Interest	Water Utility-PILOT Reserve	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ -	\$ 209,349	\$ 3,802	\$ -	\$ 41,228	\$ 6,492,627
Receipts:						
Taxes	-	-	-	-	-	3,088,403
Licenses and permits	-	-	-	-	-	18,318
Intergovernmental	-	-	-	-	-	2,168,102
Charges for services	-	-	-	-	-	768,667
Fines and forfeits	-	-	-	-	-	11,956
Utility fees	70,000	1,682,167	-	-	-	4,027,289
Other receipts	-	-	147,294	46,342	14,986	6,641,420
Total receipts	<u>70,000</u>	<u>1,682,167</u>	<u>147,294</u>	<u>46,342</u>	<u>14,986</u>	<u>16,724,155</u>
Disbursements:						
Personal services	-	-	-	-	-	3,541,756
Supplies	-	-	-	-	-	278,145
Other services and charges	-	-	-	-	-	1,677,673
Debt service - principal and interest	-	-	-	-	-	99,852
Capital outlay	-	-	-	-	-	62,095
Other disbursements	70,000	1,434,932	147,294	46,342	-	9,826,063
Total disbursements	<u>70,000</u>	<u>1,434,932</u>	<u>147,294</u>	<u>46,342</u>	<u>-</u>	<u>15,485,584</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>247,235</u>	<u>-</u>	<u>-</u>	<u>14,986</u>	<u>1,238,571</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 456,584</u>	<u>\$ 3,802</u>	<u>\$ -</u>	<u>\$ 56,214</u>	<u>\$ 7,731,198</u>

CITY OF DECATUR
 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 completed in the current and prior four years have been reported. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,235,586
Infrastructure	4,160,486
Buildings	1,519,168
Improvements other than buildings	634,781
Machinery and equipment	<u>5,014,811</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 15,564,832</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 179,724
Capital assets, being depreciated:	
Buildings	425,587
Improvements other than buildings	5,920,660
Machinery and equipment	<u>1,610,351</u>
 Total Water Utility capital assets	 <u>8,136,322</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	15,800
Capital assets, being depreciated:	
Buildings	10,750,657
Improvements other than buildings	15,390,665
Machinery and equipment	<u>7,927,946</u>
 Total Wastewater Utility capital assets	 <u>34,085,068</u>
Storm Water Utility:	
Capital assets, being depreciated:	
Improvements other than buildings	127,850
Machinery and equipment	<u>97,904</u>
 Total Storm Water Utility capital assets	 <u>225,754</u>
 Total business-type activities capital assets	 <u>\$ 42,447,144</u>

CITY OF DECATUR
 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
Business-type activities:		
Water Utility:		
Revenue bonds:		
Water tower construction and renovation	\$ 1,725,000	\$ 72,531
Wastewater Utility:		
Loans payable:		
State revolving fund loan 2004	4,758,000	447,848
State revolving fund loan 2008	<u>8,818,000</u>	<u>668,182</u>
Total business-type activities debt	<u>\$ 15,301,000</u>	<u>\$ 1,188,561</u>

CITY OF DECATUR
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the City of Decatur Municipal Utilities

CITY OF DECATUR
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2011, with Phyllis J. Whitright, Clerk-Treasurer, and John L. Schultz, Mayor. Our examination disclosed no material items that warrant comment at this time.