

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF BOONVILLE

WARRICK COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
12/02/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy Shull	01-01-08 to 12-31-11
Mayor	Pamela Hendrickson	01-01-08 to 12-31-11
President of the Board of Public Works	Pamela Hendrickson	01-01-10 to 12-31-11
President of the Common Council	James Ruff	01-01-10 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF BOONVILLE, WARRICK COUNTY, INDIANA

We have examined the financial statement of the City of Boonville (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 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 the City 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

September 27, 2011

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF BOONVILLE  
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	\$ 192,275	\$ 3,985,668	\$ 3,690,030	\$ 487,913
Motor Vehicle Highway	25,049	416,876	334,756	107,169
Local Road and Street	22,279	64,922	21,945	65,256
Parking Meter Fund	33,142	26,754	19,121	40,775
Police Public Relations	93	-	-	93
Fire FEMA Grant FG19030	-	89,680	-	89,680
Police Continuing Education	15,111	4,987	17,879	2,219
Downtown Redevelopment Grant	-	28,958	28,958	-
Park Fund	48,496	145,657	129,863	64,290
Operation Pull Over Grant SF269-04	435	-	423	12
Fire Donation/Insurance Reimbursement	40	650	-	690
Spray Park Donations	731	2,375	2,500	606
Fire Homeland Security Disaster Relief	3,757	-	3,757	-
Fire Dept Training and Prevention	302	75	-	377
Rainy Day Fund	239,818	189,498	-	429,316
Build Indiana Fund	1,673	-	-	1,673
Haz Mat Fund - Fire Department	4,440	5,340	4,717	5,063
Levy Excess Fund	-	8,200	-	8,200
Police Donation Fund	5,093	12,083	11,633	5,543
Code Enforcement Fund	-	6,973	-	6,973
Fire Department - Segregated Fund	-	221,715	80,883	140,832
Lease Rental Reserve	1,243,926	991,393	493,000	1,742,319
Edit Excess	1,079,494	1,454,480	1,668,604	865,370
Cumulative Capital Improvement	14,948	20,010	13,535	21,423
Police Pension	280,159	146,288	104,134	322,313
Fire Pension	191,288	205,915	175,443	221,760
Fire Pension Market Monitor	150,618	150	100	150,668
Police Pension Market Monitor	157,182	157	100	157,239
Payroll Fund	9,206	1,653,692	1,650,472	12,426
Payroll Fed/Fica/Medi Tax	-	321,305	321,305	-
Electric Operating	43,716	466,409	468,959	41,166
Electric Cash Reserve	930,120	463,986	709,476	684,630
Wastewater Operating	170,274	1,728,128	1,705,641	192,761
Wastewater Bonds and Interest	870	358,163	355,860	3,173
Wastewater Construction	10,776	54	-	10,830
Wastewater Replacement	59,272	6,000	-	65,272
Wastewater Debt Service Reserve	559,485	13,942	95,392	478,035
Wastewater SRF Debt Service Reserve	-	95,392	-	95,392
Wastewater SRF Construction	-	536,888	536,888	-
Wastewater Refunding Bonds	-	1,404,964	1,404,964	-
Water Operating	131,668	1,811,011	1,786,863	155,816
Water Bonds and interest	20	334,170	333,973	217
Water Customer Deposits	127,785	20,345	17,201	130,929
Water Construction 2009	2,744,323	69	2,652,312	92,080
Water Bond and Interest Reserve	83,462	-	-	83,462
Water 2009 Bond Transfers	38,334	123,014	47,937	113,411
Water Debt Service Reserve	5,806	3	-	5,809
Water 2009 Debt Service Reserve	253,024	47,626	-	300,650
Water BANS	-	1,250,550	1,250,550	-
Totals	<u>\$ 8,878,490</u>	<u>\$ 18,664,515</u>	<u>\$ 20,139,174</u>	<u>\$ 7,403,831</u>

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

CITY OF BOONVILLE  
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, electric, gas, storm water, trash, aviation, 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.

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 BOONVILLE  
NOTES TO FINANCIAL STATEMENT  
(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 BOONVILLE  
NOTES TO FINANCIAL STATEMENT  
(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 BOONVILLE  
NOTES TO FINANCIAL STATEMENT  
(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 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 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 BOONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

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

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

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

CITY OF BOONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Plan Description*

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

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

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

*Funding Policy*

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

## 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/](http://www.in.gov/itp/annual_reports/).

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the City. It is presented as intended by the City.

CITY OF BOONVILLE  
 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	Parking Meter Fund	Police Public Relations	Fire FEMA Grant FG19030	Police Continuing Education
Cash and investments - beginning	\$ 192,275	\$ 25,049	\$ 22,279	\$ 33,142	\$ 93	\$ -	\$ 15,111
Receipts:							
Taxes	2,541,008	105,759	-	-	-	-	-
Licenses and permits	5,160	-	-	-	-	-	3,670
Intergovernmental	294,627	309,053	-	-	-	89,680	-
Charges for services	71,055	2,064	-	14,474	-	-	698
Fines and forfeits	13,701	-	-	12,280	-	-	619
Utility fees	-	-	-	-	-	-	-
Other receipts	1,060,117	-	64,922	-	-	-	-
Total receipts	<u>3,985,668</u>	<u>416,876</u>	<u>64,922</u>	<u>26,754</u>	<u>-</u>	<u>89,680</u>	<u>4,987</u>
Disbursements:							
Personal services	2,204,172	-	-	12,503	-	-	-
Supplies	61,473	-	-	1,316	-	-	2,413
Other services and charges	802,938	334,756	21,945	5,302	-	-	11,596
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	23,672	-	-	-	-	-	3,870
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	597,775	-	-	-	-	-	-
Total disbursements	<u>3,690,030</u>	<u>334,756</u>	<u>21,945</u>	<u>19,121</u>	<u>-</u>	<u>-</u>	<u>17,879</u>
Excess (deficiency) of receipts over disbursements	<u>295,638</u>	<u>82,120</u>	<u>42,977</u>	<u>7,633</u>	<u>-</u>	<u>89,680</u>	<u>(12,892)</u>
Cash and investments - ending	<u>\$ 487,913</u>	<u>\$ 107,169</u>	<u>\$ 65,256</u>	<u>\$ 40,775</u>	<u>\$ 93</u>	<u>\$ 89,680</u>	<u>\$ 2,219</u>

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

	Downtown Redevelopment Grant	Park Fund	Operation Pull Over Grant SF269-04	Fire Donation/ Insurance Reimbursement	Spray Park Donations	Fire Homeland Security Disaster Relief	Fire Dept Training and Prevention
Cash and investments - beginning	\$ -	\$ 48,496	\$ 435	\$ 40	\$ 731	\$ 3,757	\$ 302
Receipts:							
Taxes	-	117,284	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	28,958	10,280	-	-	-	-	-
Charges for services	-	17,436	-	-	-	-	75
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	657	-	650	2,375	-	-
Total receipts	28,958	145,657	-	650	2,375	-	75
Disbursements:							
Personal services	-	70,238	-	-	-	-	-
Supplies	-	13,583	-	-	-	-	-
Other services and charges	-	46,042	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,500	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	28,958	-	423	-	-	3,757	-
Total disbursements	28,958	129,863	423	-	2,500	3,757	-
Excess (deficiency) of receipts over disbursements	-	15,794	(423)	650	(125)	(3,757)	75
Cash and investments - ending	\$ -	\$ 64,290	\$ 12	\$ 690	\$ 606	\$ -	\$ 377

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

	Rainy Day Fund	Build Indiana Fund	Haz Mat Fund Fire Department	Levy Excess Fund	Police Donation Fund	Code Enforcement Fund
Cash and investments - beginning	\$ 239,818	\$ 1,673	\$ 4,440	\$ -	\$ 5,093	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	5,340	-	-	-
Fines and forfeits	-	-	-	-	-	6,973
Utility fees	-	-	-	-	-	-
Other receipts	189,498	-	-	8,200	12,083	-
Total receipts	189,498	-	5,340	8,200	12,083	6,973
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	4,717	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	11,633	-
Total disbursements	-	-	4,717	-	11,633	-
Excess (deficiency) of receipts over disbursements	189,498	-	623	8,200	450	6,973
Cash and investments - ending	\$ 429,316	\$ 1,673	\$ 5,063	\$ 8,200	\$ 5,543	\$ 6,973

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

	Fire Department Segregated Fund	Lease Rental Reserve	Edit Excess	Cumulative Capital Improvement	Police Pension	Fire Pension
Cash and investments - beginning	\$ -	\$ 1,243,926	\$ 1,079,494	\$ 14,948	\$ 280,159	\$ 191,288
Receipts:						
Taxes	-	-	873,706	-	100	100
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	20,010	146,159	205,795
Charges for services	221,715	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	991,393	580,774	-	29	20
Total receipts	<u>221,715</u>	<u>991,393</u>	<u>1,454,480</u>	<u>20,010</u>	<u>146,288</u>	<u>205,915</u>
Disbursements:						
Personal services	-	-	-	-	103,939	123,998
Supplies	34,708	-	-	-	-	-
Other services and charges	46,175	493,000	468,934	-	195	51,445
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	699,670	13,535	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	500,000	-	-	-
Total disbursements	<u>80,883</u>	<u>493,000</u>	<u>1,668,604</u>	<u>13,535</u>	<u>104,134</u>	<u>175,443</u>
Excess (deficiency) of receipts over disbursements	<u>140,832</u>	<u>498,393</u>	<u>(214,124)</u>	<u>6,475</u>	<u>42,154</u>	<u>30,472</u>
Cash and investments - ending	<u>\$ 140,832</u>	<u>\$ 1,742,319</u>	<u>\$ 865,370</u>	<u>\$ 21,423</u>	<u>\$ 322,313</u>	<u>\$ 221,760</u>

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

	Fire Pension Market Monitor	Police Pension Market Monitor	Payroll Fund	Payroll Fed/Fica/Medi Tax	Electric Operating	Electric Cash Reserve
Cash and investments - beginning	\$ 150,618	\$ 157,182	\$ 9,206	\$ -	\$ 43,716	\$ 930,120
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	4,127
Other receipts	150	157	1,653,692	321,305	466,409	459,859
Total receipts	150	157	1,653,692	321,305	466,409	463,986
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	100	100	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	1,650,472	321,305	468,959	709,476
Total disbursements	100	100	1,650,472	321,305	468,959	709,476
Excess (deficiency) of receipts over disbursements	50	57	3,220	-	(2,550)	(245,490)
Cash and investments - ending	\$ 150,668	\$ 157,239	\$ 12,426	\$ -	\$ 41,166	\$ 684,630

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

	Wastewater Operating	Wastewater Bonds and Interest	Wastewater Construction	Wastewater Replacement	Wastewater Debt Service Reserve	Wastewater SRF Debt Service Reserve
Cash and investments - beginning	\$ 170,274	\$ 870	\$ 10,776	\$ 59,272	\$ 559,485	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	1,193,514	-	-	-	-	-
Other receipts	534,614	358,163	54	6,000	13,942	95,392
Total receipts	1,728,128	358,163	54	6,000	13,942	95,392
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	355,860	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	135,685	-	-	-	-	-
Other disbursements	1,569,956	-	-	-	95,392	-
Total disbursements	1,705,641	355,860	-	-	95,392	-
Excess (deficiency) of receipts over disbursements	22,487	2,303	54	6,000	(81,450)	95,392
Cash and investments - ending	\$ 192,761	\$ 3,173	\$ 10,830	\$ 65,272	\$ 478,035	\$ 95,392

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

	Wastewater SRF Construction	Wastewater Refunding Bonds	Water Operating	Water Bonds and Interest	Water Customer Deposits	Water Construction 2009
Cash and investments - beginning	\$ -	\$ -	\$ 131,668	\$ 20	\$ 127,785	\$ 2,744,323
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	1,725,791	-	-	-
Other receipts	536,888	1,404,964	85,220	334,170	20,345	69
Total receipts	<u>536,888</u>	<u>1,404,964</u>	<u>1,811,011</u>	<u>334,170</u>	<u>20,345</u>	<u>69</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	333,973	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	133,325	-	17,201	-
Other disbursements	536,888	1,404,964	1,653,538	-	-	2,652,312
Total disbursements	<u>536,888</u>	<u>1,404,964</u>	<u>1,786,863</u>	<u>333,973</u>	<u>17,201</u>	<u>2,652,312</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>24,148</u>	<u>197</u>	<u>3,144</u>	<u>(2,652,243)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,816</u>	<u>\$ 217</u>	<u>\$ 130,929</u>	<u>\$ 92,080</u>

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

	Water Bond and Interest Reserve	Water 2009 Bond Transfers	Water Debt Service Reserve	Water 2009 Debt Service Reserve	Water BANS	Totals
Cash and investments - beginning	\$ 83,462	\$ 38,334	\$ 5,806	\$ 253,024	\$ -	\$ 8,878,490
Receipts:						
Taxes	-	-	-	-	-	3,637,957
Licenses and permits	-	-	-	-	-	8,830
Intergovernmental	-	-	-	-	-	1,104,562
Charges for services	-	-	-	-	-	332,857
Fines and forfeits	-	-	-	-	-	33,573
Utility fees	-	-	-	-	-	2,923,432
Other receipts	-	123,014	3	47,626	1,250,550	10,623,304
Total receipts	-	123,014	3	47,626	1,250,550	18,664,515
Disbursements:						
Personal services	-	-	-	-	-	2,514,850
Supplies	-	-	-	-	-	118,210
Other services and charges	-	-	-	-	-	2,282,528
Debt service - principal and interest	-	-	-	-	-	689,833
Capital outlay	-	-	-	-	-	743,247
Utility operating expenses	-	47,937	-	-	-	334,148
Other disbursements	-	-	-	-	1,250,550	13,456,368
Total disbursements	-	47,937	-	-	1,250,550	20,139,174
Excess (deficiency) of receipts over disbursements	-	75,077	3	47,626	-	(1,474,659)
Cash and investments - ending	\$ 83,462	\$ 113,411	\$ 5,809	\$ 300,650	\$ -	\$ 7,403,831

CITY OF BOONVILLE  
 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:		
Wastewater Treatment Facility	\$ 6,175,000	\$ 493,000
Bonds payable:		
Revenue bonds:		
Water Wellfield Construction	<u>1,260,000</u>	<u>31,500</u>
Total governmental activities debt	<u>\$ 7,435,000</u>	<u>\$ 524,500</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Water Utility Improvements 2005	\$ 3,750,000	\$ 83,586
New Water Plant Construction 2009	<u>1,757,000</u>	<u>121,339</u>
Total Water Utility	<u>5,507,000</u>	<u>204,925</u>
Wastewater Utility:		
Revenue bonds:		
Wastewater Improvements 2003	505,000	130,693
Wastewater Improvements 2010A	536,888	-
Wastewater Improvements 2010B	<u>1,465,000</u>	<u>41,825</u>
Total Wastewater Utility	<u>2,506,888</u>	<u>172,518</u>
Total business-type activities debt	<u>\$ 8,013,888</u>	<u>\$ 377,443</u>

CITY OF BOONVILLE  
EXAMINATION RESULTS AND COMMENTS

***CUSTOMER DEPOSIT REGISTER (Applies to Water Utility)***

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger.

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

***ACCOUNTABLE ITEMS (Applies to Water and Wastewater Utilities)***

Records presented for examination indicated that gallons of water billed totaled 225,453,200 and gallons of water pumped by the Water Utility totaled 464,815,000, resulting in a difference of 239,361,800 gallons of water lost and not billed. Fifty-one percent of the water pumped for the year 2010 was not billed. Calculations indicate that the potential dollar amount of this loss would be between \$588,828 and \$1,522,336 because the Water Utility bills on a sliding scale based on the amount of water used. This could result in a potential loss for the Wastewater Utility of \$1,637,229 because the wastewater bills are based on water consumption. A similar comment was contained in several prior reports.

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***LOAN BETWEEN CITY FUNDS (Applies to the City)***

A temporary loan of \$1,000,000 was made in 2009 from the EDIT Excess Fund to the General Fund. An additional loan of \$500,000 was made from the EDIT Excess Fund to the General Fund in the year 2010. A repayment of \$500,000 was made in the year 2010. As of December 31, 2010 the balance of the temporary loan outstanding was \$1,000,000. A similar comment was contained in the prior report.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs; (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . .

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

- (1) Passes an ordinance or a resolution that contains the following:
  - (A) A statement that the fiscal body has determined that an emergency exists.
  - (B) A brief description of the grounds for the emergency.

CITY OF BOONVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

(C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.

- (2) Immediately forwards the ordinance or resolution to the state board of accounts and department of local government finance."

***LOAN FROM ELECTRIC UTILITY (Applies to Electric and Wastewater Utilities)***

A temporary loan of \$35,000 was made in 2009 from the Electric Utility Operating Fund to the Wastewater Utility Operating Fund. The resolution authorizing the loan required repayment by December 31, 2009. The loan was not repaid as of December 31, 2010. A similar comment was contained in the prior report.

City Council Resolution 2009-4 states: "Be it further resolved that said sum of thirty five thousand (\$35,000) dollars so advanced and transferred shall be returned and repaid to the Electric Operating Fund of said City on or before the 31st day of December 2009."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns)

***LOAN FROM ELECTRIC UTILITY (Applies to Electric and Wastewater Utilities)***

A temporary loan of \$64,000 was made in 2009 from the Electric Utility Cash Reserve Fund to the Wastewater Utility Operating Fund. The resolution authorizing the loan required repayment by December 31, 2009. The loan was not repaid as of December 31, 2010. A similar comment was contained in the prior report.

Board of Public Works Resolution 2009-4 states: "Be it further resolved that said sum of sixty four thousand (\$64,000) dollars so advanced and transferred shall be returned and repaid to the Electric Cash Reserve Fund of said City on or before the 31st day of December 2009."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns)

***TRANSACTION RECORDING (Applies to Water and Wastewater Utilities)***

The City received and disbursed \$536,888 Wastewater State Revolving Fund loan proceeds in the year 2010. Also, \$95,392 was deposited into the Wastewater SRF Debt Service Reserve Fund. In both cases the funds were deposited in a trust account. The transactions were never recorded in the records of the City or included in the statement of receipts, disbursements, cash balances, and investment balances contained in the annual city financial report. The City also received the proceeds of Wastewater Refunding Bonds in the amount of \$1,404,964 and Water BANS in the amount of \$1,250,550. The proceeds were used to retire previously issued debt. Neither the proceeds nor the expenditure were recorded in the records of the City or reported in the statement of receipts, disbursements, cash balances, and investment balances contained in the annual city financial report.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF BOONVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***DELINQUENT WASTEWATER ACCOUNTS (Applies to the Wastewater Utility)***

As stated in several prior reports, delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
  - (B) a description of the premises, as shown by the records of the county auditor; and
  - (C) the amount of the delinquent fees, together with the penalty; or
- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

***INTERFUND RECEIVABLE/PAYABLE (Applies to City and Electric Utility)***

As stated in several prior reports, the City of Boonville owes the Boonville Electric Utility for street lighting services. The amount due at December 31, 2010, is \$325,000.

Electric Utility ordinance 1980-35 states: "No free service shall be furnished by the utility to the city or to any person, firm, or corporation, public or private, or to a public agency, or any organization."

Each governmental unit is responsible for complying with the ordinances, resolutions and policies it adopts. (Accounting and Uniform Compliance Manual for Cities and Towns, Chapter 7)

CITY OF BOONVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***RECEIPT DEPOSITS (Applies to the City)***

When the City of Boonville Park Department rents the pool or the spray park for a private party a fee of \$10 per hour per lifeguard is collected. These fees are collected in cash and paid directly to the lifeguard working at the party. The fees are not deposited in the City bank account or recorded in the City ledger. Also, the payment is not included in the payroll system or approved in the salary ordinance.

Indiana Code 5-13-6-1(d) states in part:

"A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

***POLICE DEPARTMENT RECEIPTS AND FEES (Applies to the City)***

Receipts and fees collected by the police department were remitted to the clerk-treasurer less frequently than once a week.

Receipts and fees collected by a police department should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

***CLERK-TREASURER'S OFFICIAL BOND (Applies to the City)***

The Clerk-Treasurer had an official bond payable to the State of Indiana for \$25,000 for the year 2010. The Clerk-Treasurer is required to have \$30,000 of coverage for each \$1,000,000 of receipts in the last complete fiscal year before the purchase of the bond. In the year 2009, the receipts exceeded \$9,000,000. Based on this formula the Clerk-Treasurer should have bond coverage of \$270,000.

Indiana Code 5-4-1-18 states in part:

"(c) . . . the fiscal bodies of the respective units shall fix the amounts of the bond of . . . town clerk- treasurers, . . . as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) . . ."

CITY OF BOONVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 26, 2011, with Pamela Hendrickson, Mayor, and Nancy Shull, Clerk-Treasurer. The officials concurred with our findings.