

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF RISING SUN

OHIO COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
01/25/2012

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|---|--|
| Clerk-Treasurer | Rae Baker Gipson | 01-01-08 to 12-31-15 |
| Mayor | William A. Marksberry Brandon Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of the Board of Public Works | William A. Marksberry Brandon Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of the Common Council | William A. Marksberry Brandon Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of the Utility Service Board | Sue Hart | 01-01-10 to 12-31-12 |
| Superintendent of Utilities | Myron Dennis (Vacant) Shawn Guidice | 01-01-10 to 08-31-11 09-01-11 to 10-02-11 10-03-11 to 12-31-12 |
| Utility Office Manager | Evon Sue Bovard | 01-01-10 to 12-31-12 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF RISING SUN, OHIO COUNTY, INDIANA

We have examined the financial statement of the City of Rising Sun (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 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 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.

The City's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine 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, 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

December 19, 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 RISING SUN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

| | Cash and Investments 01-01-10 | Receipts | Disbursements | Cash and Investments 12-31-10 |
|--|-------------------------------------|--------------|---------------|-------------------------------------|
| General Fund | \$ 292,449 | \$ 1,666,763 | \$ 1,802,544 | \$ 156,668 |
| Motor Vehicle Highway | 15,680 | 529,201 | 375,099 | 169,782 |
| Local Road & Street | 45,478 | 10,790 | 20,928 | 35,340 |
| Donation Fund | 1,102 | 35 | 500 | 637 |
| Economic Development | 114,358 | 114,168 | 94,531 | 133,995 |
| Revenue Sharing Fund | 1,944 | 1,270,394 | 1,272,338 | - |
| Recap Facades Grant | 171,614 | - | 92,681 | 78,933 |
| Navy Bean Fund | 14,145 | 86,999 | 89,265 | 11,879 |
| Park & Recreation | 74,247 | 232,484 | 202,621 | 104,110 |
| Education Center Fund | 12,000 | 24,000 | - | 36,000 |
| Heritage Hall Security Dep | - | 700 | - | 700 |
| Rainy Day | 88,194 | 10,150 | - | 98,344 |
| OCCF Building Inventory Grant | 2,130 | - | 2,130 | - |
| Animal Control Grants | 975 | 14,130 | 8,699 | 6,406 |
| Tree Grant | 4,806 | - | 4,806 | - |
| OCCF Energy Efficiency Grant | 200 | - | - | 200 |
| Energy EFF Grant | 200 | - | 200 | - |
| RSRF Website Grant | 6,423 | - | 6,423 | - |
| RSRF Street Grant | - | 15,800 | 15,800 | - |
| Park Grants | 3,077 | 300 | 3,277 | 100 |
| Local Law Enforcement Continuing Education | 4,407 | 1,846 | 3,057 | 3,196 |
| Criminal Investigation | 2,350 | 2,000 | 3,216 | 1,134 |
| Park Security Deposit | 3,186 | 4,470 | 4,875 | 2,781 |
| New Fairgrounds Park | 141,726 | 13,700 | 45,419 | 110,007 |
| RSRF Spring Leadership LACT Grant | - | 20,000 | 20,000 | - |
| Main Street Brochure Grant | - | 3,600 | - | 3,600 |
| North Main Street Drainage | - | 40,000 | - | 40,000 |
| 911 Radio Upgrades | - | 6,400 | - | 6,400 |
| Beautiful OCCF Fund | - | 2,365 | - | 2,365 |
| City Bicentennial | - | 3,000 | - | 3,000 |
| Music On Main Grant | - | 3,000 | 2,816 | 184 |
| RSRF Police Car Funds | - | 18,000 | 18,000 | - |
| America In Bloom Grant | - | 4,000 | 1,000 | 3,000 |
| Levy Excess Fund | - | 1,678 | - | 1,678 |
| Arts Festival | - | 26,089 | 15,659 | 10,430 |
| Arts Academy | - | 12,739 | 12,739 | - |
| Community Development Fund | - | 1,200,000 | - | 1,200,000 |
| Redevelopment General | 123,803 | 27,934 | 79,867 | 71,870 |
| Cumulative Capital Improvement - Cigarette Tax | 24,662 | 7,233 | 24,337 | 7,558 |

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

CITY OF RISING SUN
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 |
|---------------------------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|
| Cumulative Capital Development | 129,906 | 71,183 | 8,350 | 192,739 |
| Redevelopment RLF Fund | 248,073 | 126,712 | 7,800 | 366,985 |
| Riverboat | 3,261,031 | 7,151,804 | 6,428,967 | 3,983,868 |
| Rebuild America Fund | 19,276 | - | - | 19,276 |
| Payroll | 1,101 | 899,676 | 899,676 | 1,101 |
| Payroll Voluntary Perf | - | 7,349 | 7,369 | (20) |
| Payroll-Civil Perf | (8) | 16,655 | 16,714 | (67) |
| Payroll-Federal Withholding | (4,414) | 132,008 | 127,594 | - |
| Payroll-State W/H | 3,289 | 45,752 | 44,079 | 4,962 |
| Payroll-Fica | (2,737) | 108,095 | 105,358 | - |
| Payroll-County W/H | 897 | 12,344 | 11,895 | 1,346 |
| Payroll-Health Insurance | 1,374 | 7,697 | 7,725 | 1,346 |
| City HRA | - | 24,094 | 21,495 | 2,599 |
| RSMU HRA | - | 46,150 | 15,756 | 30,394 |
| Payroll-Medicare | (1,123) | 37,598 | 36,475 | - |
| Payroll-Credit Union W/H | - | 69,534 | 69,534 | - |
| RSMU Payroll | 6,244 | 767,515 | 767,975 | 5,784 |
| Police Perf | 569 | 22,250 | 21,427 | 1,392 |
| Payroll- Aul 457 W/H | - | 4,040 | 4,040 | - |
| Payroll - Child Support | - | 9,242 | 9,242 | - |
| Payroll Liberty National | - | 2,332 | 2,153 | 179 |
| Payroll-Other | 6,146 | - | 6,146 | - |
| Electric Utility-Operating | 1,862,379 | 4,497,067 | 4,441,721 | 1,917,725 |
| Electric Utility-Customer Deposit | 133,944 | 23,037 | 15,257 | 141,724 |
| Working Fund | 1,200 | - | - | 1,200 |
| Broadband | 10,183 | 218,039 | 206,039 | 22,183 |
| Trash & Garbage Pickup | 22,913 | 188,725 | 183,036 | 28,602 |
| Wastewater Utility-Operating | 231,650 | 571,277 | 539,531 | 263,396 |
| Retainage | 2,500 | - | 2,500 | - |
| Wastewater Capacity | 63,063 | 2,241 | - | 65,304 |
| Water Utility-Operating | 613,477 | 641,642 | 611,276 | 643,843 |
| Water Utility-Customer Deposit | 24,877 | 4,050 | 3,366 | 25,561 |
| Bank of New York - Water Well Project | - | 138,462 | 136,460 | 2,002 |
| Water Capacity | 71,559 | 2,408 | - | 73,967 |
| IMPA - Energy Efficiency Program | - | 6,529 | - | 6,529 |
| Totals | <u>\$ 7,856,525</u> | <u>\$ 21,229,475</u> | <u>\$ 18,981,783</u> | <u>\$ 10,104,217</u> |

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

CITY OF RISING SUN
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, trash, and urban redevelopment.

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, 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.

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

CITY OF RISING SUN
NOTES TO FINANCIAL STATEMENT
(Continued)

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 state.

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, recycling fees, dog pound fees, emergency medical service fees, park rental fees, and swimming pool 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 statement. 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.

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.

CITY OF RISING SUN
NOTES TO FINANCIAL STATEMENT
(Continued)

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 RISING SUN
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 RISING SUN
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. 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/.

Differences may be noted between the financial information presented in the financial statement 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 RISING SUN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

| | General Fund | Motor Vehicle Highway | Local Road & Street | Donation Fund | Economic Development | Revenue Sharing Fund | Recap Facades Grant |
|--|-------------------|-----------------------------|------------------------------|------------------|-------------------------|----------------------------|---------------------------|
| Cash and investments - beginning | \$ 292,449 | \$ 15,680 | \$ 45,478 | \$ 1,102 | \$ 114,358 | \$ 1,944 | \$ 171,614 |
| Receipts: | | | | | | | |
| Taxes | - | 398,313 | - | - | - | - | - |
| Licenses and permits | 2,020 | - | - | - | - | - | - |
| Intergovernmental | 171,043 | 125,791 | 10,790 | - | - | 1,270,394 | - |
| Charges for services | 306,654 | - | - | - | - | - | - |
| Fines and forfeits | 125 | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 1,186,921 | 5,097 | - | 35 | 114,168 | - | - |
| Total receipts | <u>1,666,763</u> | <u>529,201</u> | <u>10,790</u> | <u>35</u> | <u>114,168</u> | <u>1,270,394</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Personal services | 1,083,989 | 290,433 | - | - | 1,367 | - | - |
| Supplies | 99,026 | 58,501 | - | - | 5,616 | - | - |
| Other services and charges | 585,587 | 26,165 | - | 500 | 43,680 | 1,249,417 | 92,681 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 33,942 | - | 20,928 | - | 43,868 | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | 22,921 | - |
| Total disbursements | <u>1,802,544</u> | <u>375,099</u> | <u>20,928</u> | <u>500</u> | <u>94,531</u> | <u>1,272,338</u> | <u>92,681</u> |
| Excess (deficiency) of receipts over disbursements | <u>(135,781)</u> | <u>154,102</u> | <u>(10,138)</u> | <u>(465)</u> | <u>19,637</u> | <u>(1,944)</u> | <u>(92,681)</u> |
| Cash and investments - ending | <u>\$ 156,668</u> | <u>\$ 169,782</u> | <u>\$ 35,340</u> | <u>\$ 637</u> | <u>\$ 133,995</u> | <u>\$ -</u> | <u>\$ 78,933</u> |

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

| | Navy Bean Fund | Park & Recreation | Education Center Fund | Heritage Hall Security Deposit | Rainy Day | OCCF Building Inventory Grant | Animal Control Grants |
|--|----------------------|-------------------------|-----------------------------|---|------------------|--|-----------------------------|
| Cash and investments - beginning | \$ 14,145 | \$ 74,247 | \$ 12,000 | \$ - | \$ 88,194 | \$ 2,130 | \$ 975 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 80,000 | - | - | - | - | 14,130 |
| Charges for services | - | 36,944 | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 86,999 | 115,540 | 24,000 | 700 | 10,150 | - | - |
| Total receipts | <u>86,999</u> | <u>232,484</u> | <u>24,000</u> | <u>700</u> | <u>10,150</u> | <u>-</u> | <u>14,130</u> |
| Disbursements: | | | | | | | |
| Personal services | - | 87,745 | - | - | - | - | - |
| Supplies | - | 19,671 | - | - | - | - | - |
| Other services and charges | 89,265 | 74,126 | - | - | - | 2,130 | 8,699 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | 21,079 | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>89,265</u> | <u>202,621</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,130</u> | <u>8,699</u> |
| Excess (deficiency) of receipts over disbursements | <u>(2,266)</u> | <u>29,863</u> | <u>24,000</u> | <u>700</u> | <u>10,150</u> | <u>(2,130)</u> | <u>5,431</u> |
| Cash and investments - ending | <u>\$ 11,879</u> | <u>\$ 104,110</u> | <u>\$ 36,000</u> | <u>\$ 700</u> | <u>\$ 98,344</u> | <u>\$ -</u> | <u>\$ 6,406</u> |

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

| | Tree Grant | OCCF Energy Efficiency Grant | Energy EFF Grant | RSRF Website Grant | RSRF Street Grant | Park Grants | Local Law Enforcement Continuing Education |
|--|---------------|---------------------------------------|------------------------|--------------------------|-------------------------|----------------|--|
| Cash and investments - beginning | \$ 4,806 | \$ 200 | \$ 200 | \$ 6,423 | \$ - | \$ 3,077 | \$ 4,407 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 15,800 | 300 | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 1,846 |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | - | - | - | 15,800 | 300 | 1,846 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 4,806 | - | - | 6,423 | 15,800 | 3,277 | 3,057 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | 200 | - | - | - | - |
| Total disbursements | 4,806 | - | 200 | 6,423 | 15,800 | 3,277 | 3,057 |
| Excess (deficiency) of receipts over disbursements | (4,806) | - | (200) | (6,423) | - | (2,977) | (1,211) |
| Cash and investments - ending | \$ - | \$ 200 | \$ - | \$ - | \$ - | \$ 100 | \$ 3,196 |

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

| | Criminal Investigation | Park Security Deposit | New Fairgrounds Park | RSRF Spring Leadership LACT Grant | Main Street Brochure Grant | North Main Street Drainage |
|--|---------------------------|-----------------------------|----------------------------|---|-------------------------------------|-------------------------------------|
| Cash and investments - beginning | \$ 2,350 | \$ 3,186 | \$ 141,726 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 2,000 | - | - | - | - | 40,000 |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | 4,470 | 13,700 | 20,000 | 3,600 | - |
| Total receipts | <u>2,000</u> | <u>4,470</u> | <u>13,700</u> | <u>20,000</u> | <u>3,600</u> | <u>40,000</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | 45,419 | 20,000 | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | 3,216 | 4,875 | - | - | - | - |
| Total disbursements | <u>3,216</u> | <u>4,875</u> | <u>45,419</u> | <u>20,000</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(1,216)</u> | <u>(405)</u> | <u>(31,719)</u> | <u>-</u> | <u>3,600</u> | <u>40,000</u> |
| Cash and investments - ending | <u>\$ 1,134</u> | <u>\$ 2,781</u> | <u>\$ 110,007</u> | <u>\$ -</u> | <u>\$ 3,600</u> | <u>\$ 40,000</u> |

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

| | 911 Radio Upgrades | Beautiful OCCF Fund | City Bicentennial | Music On Main Grant | RSRF Police Car Funds | America In Bloom Grant |
|--|--------------------------|---------------------------|----------------------|------------------------------|--------------------------------|---------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 6,400 | 2,365 | 3,000 | - | 18,000 | 4,000 |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | - | - | 3,000 | - | - |
| Total receipts | <u>6,400</u> | <u>2,365</u> | <u>3,000</u> | <u>3,000</u> | <u>18,000</u> | <u>4,000</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | 2,816 | 18,000 | 1,000 |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,816</u> | <u>18,000</u> | <u>1,000</u> |
| Excess (deficiency) of receipts over disbursements | <u>6,400</u> | <u>2,365</u> | <u>3,000</u> | <u>184</u> | <u>-</u> | <u>3,000</u> |
| Cash and investments - ending | <u>\$ 6,400</u> | <u>\$ 2,365</u> | <u>\$ 3,000</u> | <u>\$ 184</u> | <u>\$ -</u> | <u>\$ 3,000</u> |

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

| | Levy Excess Fund | Arts Festival | Arts Academy | Community Development Fund | Redevelopment General | Cumulative Capital Improvement- Cigarette Tax |
|--|------------------------|------------------|-----------------|----------------------------------|--------------------------|--|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ 123,803 | \$ 24,662 |
| Receipts: | | | | | | |
| Taxes | 1,678 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | 7,233 |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | 13 | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | 26,089 | 12,739 | 1,200,000 | 27,921 | - |
| Total receipts | <u>1,678</u> | <u>26,089</u> | <u>12,739</u> | <u>1,200,000</u> | <u>27,934</u> | <u>7,233</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | 6,706 | - |
| Supplies | - | - | - | - | 11,817 | - |
| Other services and charges | - | 15,659 | 12,739 | - | 61,344 | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 24,337 |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>15,659</u> | <u>12,739</u> | <u>-</u> | <u>79,867</u> | <u>24,337</u> |
| Excess (deficiency) of receipts over disbursements | <u>1,678</u> | <u>10,430</u> | <u>-</u> | <u>1,200,000</u> | <u>(51,933)</u> | <u>(17,104)</u> |
| Cash and investments - ending | <u>\$ 1,678</u> | <u>\$ 10,430</u> | <u>\$ -</u> | <u>\$ 1,200,000</u> | <u>\$ 71,870</u> | <u>\$ 7,558</u> |

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

| | Cumulative Capital Development | Redevelopment RLF Fund | Riverboat | Rebuild America Fund | Payroll | Payroll Voluntary Perf |
|--|--------------------------------------|------------------------------|---------------------|----------------------------|-----------------|------------------------------|
| Cash and investments - beginning | \$ 129,906 | \$ 248,073 | \$ 3,261,031 | \$ 19,276 | \$ 1,101 | \$ - |
| Receipts: | | | | | | |
| Taxes | 65,648 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 5,535 | - | 6,973,491 | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | 8,315 | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | 118,397 | 178,313 | - | 899,676 | 7,349 |
| Total receipts | <u>71,183</u> | <u>126,712</u> | <u>7,151,804</u> | <u>-</u> | <u>899,676</u> | <u>7,349</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | 292,480 | - | - | - |
| Supplies | - | - | 18,222 | - | - | - |
| Other services and charges | - | 7,800 | 5,426,397 | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | 8,350 | - | 691,868 | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 899,676 | 7,369 |
| Total disbursements | <u>8,350</u> | <u>7,800</u> | <u>6,428,967</u> | <u>-</u> | <u>899,676</u> | <u>7,369</u> |
| Excess (deficiency) of receipts over disbursements | <u>62,833</u> | <u>118,912</u> | <u>722,837</u> | <u>-</u> | <u>-</u> | <u>(20)</u> |
| Cash and investments - ending | <u>\$ 192,739</u> | <u>\$ 366,985</u> | <u>\$ 3,983,868</u> | <u>\$ 19,276</u> | <u>\$ 1,101</u> | <u>\$ (20)</u> |

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

| | Payroll-Civil Perf | Payroll Federal Withholding | Payroll-State W/H | Payroll-Fica | Payroll-County W/H | Payroll-Health Insurance |
|--|-----------------------|-----------------------------------|----------------------|----------------|-----------------------|-----------------------------|
| Cash and investments - beginning | \$ (8) | \$ (4,414) | \$ 3,289 | \$ (2,737) | \$ 897 | \$ 1,374 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 16,655 | 132,008 | 45,752 | 108,095 | 12,344 | 7,697 |
| Total receipts | <u>16,655</u> | <u>132,008</u> | <u>45,752</u> | <u>108,095</u> | <u>12,344</u> | <u>7,697</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | 16,714 | 127,594 | 44,079 | 105,358 | 11,895 | 7,725 |
| Total disbursements | <u>16,714</u> | <u>127,594</u> | <u>44,079</u> | <u>105,358</u> | <u>11,895</u> | <u>7,725</u> |
| Excess (deficiency) of receipts over disbursements | <u>(59)</u> | <u>4,414</u> | <u>1,673</u> | <u>2,737</u> | <u>449</u> | <u>(28)</u> |
| Cash and investments - ending | <u>\$ (67)</u> | <u>\$ -</u> | <u>\$ 4,962</u> | <u>\$ -</u> | <u>\$ 1,346</u> | <u>\$ 1,346</u> |

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

| | City HRA | RSMU HRA | Payroll-Medicare | Payroll-Credit Union W/H | RSMU Payroll | Police Perf |
|--|-----------------|------------------|------------------|--------------------------------|-----------------|-----------------|
| Cash and investments - beginning | \$ - | \$ - | \$ (1,123) | \$ - | \$ 6,244 | \$ 569 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 24,094 | 46,150 | 37,598 | 69,534 | 767,515 | 22,250 |
| Total receipts | <u>24,094</u> | <u>46,150</u> | <u>37,598</u> | <u>69,534</u> | <u>767,515</u> | <u>22,250</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | 767,975 | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | 21,495 | 15,756 | 36,475 | 69,534 | - | 21,427 |
| Total disbursements | <u>21,495</u> | <u>15,756</u> | <u>36,475</u> | <u>69,534</u> | <u>767,975</u> | <u>21,427</u> |
| Excess (deficiency) of receipts over disbursements | <u>2,599</u> | <u>30,394</u> | <u>1,123</u> | <u>-</u> | <u>(460)</u> | <u>823</u> |
| Cash and investments - ending | <u>\$ 2,599</u> | <u>\$ 30,394</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,784</u> | <u>\$ 1,392</u> |

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

| | Payroll- Aul 457 W/H | Payroll- Child Support | Payroll Liberty National | Payroll- Other | Electric Utility-Operating | Electric Utility-Customer Deposit |
|--|-------------------------------|------------------------------|--------------------------------|-------------------|-------------------------------|---|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ 6,146 | \$ 1,862,379 | \$ 133,944 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | 4,081,401 | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 4,040 | 9,242 | 2,332 | - | 415,666 | 23,037 |
| Total receipts | <u>4,040</u> | <u>9,242</u> | <u>2,332</u> | <u>-</u> | <u>4,497,067</u> | <u>23,037</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | 61,328 | - |
| Capital outlay | - | - | - | - | 109,265 | - |
| Utility operating expenses | - | - | - | - | 3,038,089 | 15,257 |
| Other disbursements | 4,040 | 9,242 | 2,153 | 6,146 | 1,233,039 | - |
| Total disbursements | <u>4,040</u> | <u>9,242</u> | <u>2,153</u> | <u>6,146</u> | <u>4,441,721</u> | <u>15,257</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>-</u> | <u>179</u> | <u>(6,146)</u> | <u>55,346</u> | <u>7,780</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 179</u> | <u>\$ -</u> | <u>\$ 1,917,725</u> | <u>\$ 141,724</u> |

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

| | Working Fund | Broadband | Trash & Garbage Pickup | Wastewater Utility-Operating | Retainage | Wastewater Capacity |
|---|-----------------|-----------|---------------------------------|---------------------------------|-----------|------------------------|
| Cash and investments - beginning | \$ 1,200 | \$ 10,183 | \$ 22,913 | \$ 231,650 | \$ 2,500 | \$ 63,063 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | 165,585 | 188,725 | 560,812 | - | - |
| Penalties | - | 2,631 | - | 4,586 | - | - |
| Other receipts | - | 49,823 | - | 5,879 | - | 2,241 |
| Total receipts | - | 218,039 | 188,725 | 571,277 | - | 2,241 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | 9,836 | - | - |
| Utility operating expenses | - | 196,615 | 183,036 | 412,526 | - | - |
| Other disbursements | - | 9,424 | - | 117,169 | 2,500 | - |
| Total disbursements | - | 206,039 | 183,036 | 539,531 | 2,500 | - |
| Excess (deficiency) of receipts over disbursements | - | 12,000 | 5,689 | 31,746 | (2,500) | 2,241 |
| Cash and investments - ending | \$ 1,200 | \$ 22,183 | \$ 28,602 | \$ 263,396 | \$ - | \$ 65,304 |

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

| | Water Utility-Operating | Water Utility-Customer Deposit | Bank of New York - Water Well Project | Water Capacity | IMPA - Energy Efficiency Program | Totals |
|--|----------------------------|--------------------------------------|--|-------------------|--|---------------|
| Cash and investments - beginning | \$ 613,477 | \$ 24,877 | \$ - | \$ 71,559 | \$ - | \$ 7,856,525 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | 465,639 |
| Licenses and permits | - | - | - | - | - | 2,020 |
| Intergovernmental | - | - | - | - | - | 8,750,272 |
| Charges for services | - | - | - | - | - | 343,598 |
| Fines and forfeits | - | - | - | - | - | 10,299 |
| Utility fees | 489,354 | - | - | - | - | 5,485,877 |
| Penalties | 1,586 | - | - | - | - | 8,803 |
| Other receipts | 150,702 | 4,050 | 138,462 | 2,408 | 6,529 | 6,162,967 |
| Total receipts | 641,642 | 4,050 | 138,462 | 2,408 | 6,529 | 21,229,475 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | 2,530,695 |
| Supplies | - | - | - | - | - | 212,853 |
| Other services and charges | - | - | - | - | - | 7,816,787 |
| Debt service - principal and interest | - | - | - | - | - | 61,328 |
| Capital outlay | - | - | 136,460 | - | - | 1,099,933 |
| Utility operating expenses | 378,977 | 3,366 | - | - | - | 4,227,866 |
| Other disbursements | 232,299 | - | - | - | - | 3,032,321 |
| Total disbursements | 611,276 | 3,366 | 136,460 | - | - | 18,981,783 |
| Excess (deficiency) of receipts over disbursements | 30,366 | 684 | 2,002 | 2,408 | 6,529 | 2,247,692 |
| Cash and investments - ending | \$ 643,843 | \$ 25,561 | \$ 2,002 | \$ 73,967 | \$ 6,529 | \$ 10,104,217 |

CITY OF RISING SUN
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

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

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

| <u>Primary Government</u> | <u>Ending Balance</u> |
|---|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 2,499,401 |
| Infrastructure | 6,682,038 |
| Buildings | 3,994,944 |
| Improvements other than buildings | 6,888,964 |
| Machinery and equipment | 1,459,443 |
| Construction in progress | <u>384,463</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 21,909,253</u> |
| | |
| <u>Primary Government</u> | <u>Ending Balance</u> |
| Business-type activities: | |
| Water Utility: | |
| Capital assets, not being depreciated: | |
| Land | \$ 200,000 |
| Buildings | 988,500 |
| Improvements other than buildings | 1,100,000 |
| Machinery and equipment | <u>150,000</u> |
| Total Water Utility capital assets | <u>2,438,500</u> |
| | |
| Wastewater Utility: | |
| Capital assets, not being depreciated: | |
| Land | 200,000 |
| Buildings | 8,650,000 |
| Improvements other than buildings | 2,300,000 |
| Machinery and equipment | <u>170,000</u> |
| Total Wastewater Utility capital assets | <u>11,320,000</u> |
| | |
| Electric Utility: | |
| Capital assets, not being depreciated: | |
| Land | 200,000 |
| Buildings | 1,120,000 |
| Improvements other than buildings | 755,000 |
| Machinery and equipment | <u>813,200</u> |
| Total Electric Utility capital assets | <u>2,888,200</u> |
| | |
| Broadband Utility: | |
| Capital assets, not being depreciated: | |
| Improvements other than buildings | 360,000 |
| Machinery and equipment | <u>17,000</u> |
| Total Broadband Utility capital assets | <u>377,000</u> |
| Total business-type activities capital assets | <u>\$ 17,023,700</u> |

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

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|------------------------------------|--------------------------------|---|
| Governmental activities: | | |
| Capital leases: | | |
| Police Cars - 2007 Dodge Durangos | \$ 9,362 | \$ 9,887 |
| Police Cars - 2007 Dodge Durangos | <u>8,837</u> | <u>9,333</u> |
| Total governmental activities debt | <u>\$ 18,199</u> | <u>\$ 19,220</u> |

CITY OF RISING SUN
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual City office listed below:

Common Council

CITY OF RISING SUN
EXAMINATION RESULTS AND COMMENTS

TRAVEL REIMBURSEMENT (Applies to Electric Utility)

Myron Dennis, former Superintendent of Utilities, received a \$418 reimbursement on February 3, 2010, for the cost of an airplane ticket to attend a conference in Washington, DC. Myron Dennis changed his plans prior to purchasing the airplane ticket and decided to take the train. The cost of the train ticket was \$112. A notation on the reimbursement claim stated that Sue Hart, President of the Utility Service Board, approved the reimbursement of \$418 because that would have been the cost that Myron Dennis would have been reimbursed if he had taken the airplane.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Upon our request, Myron Dennis refunded \$306 to the Electric Utility on September 1, 2011.

COMPUTERS AND BROADBAND SERVICE PROVIDED TO ELECTED OFFICIALS (Applies to Clerk-Treasurer, Mayor and City Council)

The City provides City owned computers and has installed City provided broadband services in the residences of elected officials. The City officials are not required to pay for the broadband service. The following was noted regarding the providing of computers and broadband service:

1. An ordinance authorizing the providing of computers and broadband service to elected officials was not presented for examination.

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)

2. The City did not present for examination a policy or signed user agreements that would restrict the use of the computers and broadband service to City business.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

3. The City did not report this fringe benefit on Internal Revenue Service Form W-2.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLAIM PROCEDURES NOT FOLLOWED (Applies to Clerk-Treasurer)

A review of claims supporting disbursements to vendors showed that 92 percent of the claims reviewed were not signed by department heads certifying to the receipt of goods or services.

CITY OF RISING SUN
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10-1.6(c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . . (2) the invoice or bill is approved by the officer or person receiving the goods and services; . . ."

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS (Applies to All Utilities)

Accounts receivable for all the City Utilities totaled \$110,406 as of December 31, 2010. Approximately 90 percent of this total was comprised of delinquent accounts which were over 90 days past due. Utility Officials stated delinquent accounts have not been written off for several years. No written policy for writing off bad debts, uncollectible accounts receivable or for making adjustments to accounts receivable was presented for examination. In addition, liens for delinquent sewer accounts were not filed on a regular basis.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances. Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-9-23-33 states in part in regards to delinquent sewer accounts:

"(a) An officer described in subsection (b) may defer enforcing the collection of unpaid fees and penalties assessed under this chapter until the unpaid fees and penalties have been due and unpaid for at least ninety (90) days.

(b) . . . 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 . . . The officer shall then mail to each property owner on the list or on an individual instrument a notice stating that a lien against the owner's property has been recorded. . . .

(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. . . ."

CITY OF RISING SUN
EXAMINATION RESULTS AND COMMENTS
(Continued)

CUSTOMER DEPOSIT REGISTERS (Applies to Water Utility and Electric Utility)

Outstanding customer deposits reported in the detailed customer deposit register for the Water Utility were \$2,967 less than the Customer Deposit Fund cash balance recorded on the general ledger at December 31, 2010. Outstanding customer deposits reported in the detailed customer deposit register for the Electric Utility were \$458 more than the Customer Deposit Fund cash balance recorded on the general ledger at December 31, 2010.

At all times, the manual and/or computerized records, subsidiary ledgers, and control ledger should agree. If the control ledger is less than the subsidiary ledger, 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)

CREDIT CARDS (Applies to Clerk-Treasurer and All Utilities)

The following deficiencies were noted on credit card claims paid during the year 2010:

City Credit Card

A review of three credit card claims totaling \$10,424.77 showed the following deficiencies:

1. There were 16 charges totaling \$1,284.60 that did not have supporting documentation in the form of paid receipts or invoices to identify what was purchased.
2. There were 2 restaurant charges totaling \$170.09 included on hotel invoices which did not have supporting documentation in the form of paid receipts to identify what was purchased.

Ordinance 2004-3, Section 4 states in part: "The Clerk-Treasurer shall verify each charge appearing on the monthly statement with the invoices, receipts, and documentation prior to payment. Each payment of expenses must be supported by fully itemized invoice or bill with certification of the Clerk-Treasurer . . ."

Utility Credit Card

A review of four credit card claims totaling \$4,513.16 showed 2 charges totaling \$120.31 that did not have any supporting documentation in the form of paid receipts or invoices to identify what was purchased.

The Rising Sun Municipal Utilities policy, Section II(F), dated May 17, 2010, concerning credit cards states: "Prior to submission of the claim to the Utility Service Board for approval of payment, the Office Manager will verify each charge appearing on the monthly statement with the invoices, receipts, or other documentation and include the documentation with the claim."

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, Chapter 7)

Indiana Code 5-11-10-1.6(c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless . . . there is a fully itemized invoice or bill for the claim . . ."

CITY OF RISING SUN
EXAMINATION RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DONATIONS (Applies to City Council)

The City made the following payments during the year 2010 from the Riverboat Fund to not-for-profit organizations:

| Organization | Amount |
|---------------------------------|------------|
| Rising Sun Medical Center, Inc. | \$ 174,000 |
| Rising Sun/Ohio Co Life Squad | 87,455 |
| Rising Sun Volunteer Fire Dept | 37,455 |
| Historical Hoosier Hills | 15,000 |
| Ohio County Historical Society | 30,000 |
| Total | \$ 343,910 |

No agreements were presented for examination documenting that the above entities were either providing services to the City or that the funds were to be used for cultural, historical, or scientific facilities and programs, or community restitution or service facilities and programs.

Indiana Code 36-10-2-4 states: "A unit may establish, aid, maintain, and operate libraries and museums, cultural, historical, and scientific facilities and programs, and community restitution or service facilities and programs."

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DONATIONS FROM UTILITY FUNDS (Applies to Utility Service Board)

Donations in the amounts of \$4,005 and \$250 were made to various not-for-profit organizations from the Electric Utility and Broadband Utility Operating Funds, respectively.

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF RISING SUN
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2011, with Rae Baker Gipson, Clerk-Treasurer; William A. Marksberry, former Mayor; and Marcia K. Brett, Assistant Utility Office Manager. The Official Response has been made a part of this report and may be found on pages 34 through 37.

**RAE BAKER GIPSON
CLERK TREASURER
CITY OF RISING SUN**

**200 North Walnut Street
PO Box 172
Rising Sun, IN 47040
Phone (812) 438-2475
Fax (812) 438-3561**

January 5, 2012

State Board of Accounts
302 West Washington Street
4th Floor, Room E418
Indianapolis, IN 46204-2765

RE: Examination Results and Response

As Clerk Treasurer of the City of Rising Sun I would like to make a response to the items noted on the Examination and discussed with me on December 19, 2011. I have attached a copy of these for your convenience.

Travel Reimbursement—Electric Utility was reimbursed and made whole on September 1, 2011.

Computers and Broadband service provided to Elected Officials—Resolution 2011-14 was approved by Council on October 6, 2011 after discussions with SBA Field Examiner Rick Ahlrich in late September 2011. I evidently did not understand fully the concerns by Ahlrich and have had discussions with the new Mayor regarding these noted concerns. This service has been offered since 2004 with no prior comments.

Claims Procedures not followed. Although certain claims were not “signed by department heads certifying to receipt of goods or services”, staff in the Clerk Treasurer’s office verbally verified receipt of goods or services with department heads prior to payment of claims. I understand Ahlrich’s concern was the Clerk Treasurer’s Office needs to be protected by having department heads sign off on invoices certifying receipt of goods and services. Please note this has been verbally received for 15 years. There have been no payments made for goods or services before a certification of receipt has been made.

Bad Debts and Uncollectible Accounts—As I discussed with Ahlrich we are currently in the process of updating our policies/employee handbook. I will work with the Office Manager and Utility Superintendent to see what we can incorporate regarding SBA’s concerns. It is my understanding from speaking with the Office Manager; the Utilities do not write off any bad debts as

uncollectable unless the person becomes deceased or files bankruptcy. A large percentage of these “Bad Debts and Uncollectable Accounts” are eventually collected as the customer returns to the City and requests service from the utility. Also there has been no reason to file a lien for delinquent sewer accounts as the property or land owners pay the debt prior to the need for this filing.

Customer Deposit Register—I understand from discussions with the Office Manager there was an error in the account number which caused the deposits to be recorded in operating instead of customer deposits in the computer general ledger. A correcting entry will be made to alleviate this and thus the reason for these concerns with items of reconciliation.

Credit Cards—Regarding the deficiencies noted on credit card claims, it is my understanding, once again, these apply mainly to items purchased and charged to hotel rooms. Appropriate action has been taken by the City and Utilities of the importance of supporting documentation to identify what has been purchased has been discussed with staff in the Clerk Treasurer’s office, the Utility Superintendent and the Utility Office Manager. In the future these will not be paid unless proper documentation is attached.

Donations—The City made donations from the Riverboat fund to various not-for-profit organizations. It is my understanding—again--Riverboat funds can be used for any municipal purpose and in past years Council has deemed these various donations to be in the best interest of the City. The “donated funds” are listed on the annual report with the NFP’s EIN. Many of the “donated funds” are a part of the Interlocal agreement which was implemented in 1996. I have included an additional form which I received from the City of Greendale after comments in their audit as well. A lot of these “donations” have been made for 15 years and are part of an Interlocal agreement. I have attached a copy of the newly implemented form which I began using while the examination was being conducted and believed this was sufficient.

Donations from Utility Funds—Again the Utilities have had a promotions budget for many years. We believe it is a benefit to the Utilities and the City to participate as a good neighbor in various community events. We also support public power week and various other Utility oriented programs throughout the year. Once again the Utilities have had a promotional budget since 1997. The budget of approximately \$4,000 has been approved by the Utility Service Board annually. Event sponsors etc. are determined on a case by case basis at monthly meetings by the Board. I will address this further with the City and Utility attorneys.

Also the notation regarding the payroll schedule and voucher form being completed for payroll for each department will be implemented as requested. This will be added to the other approximate 100 pages of payroll

documentation—including signed time cards by department heads for each employee) and kept for each of the 26 plus payrolls per year.

The City and Utility staff strive to do our jobs in a compliant and efficient manner. We do respect the SBA comments, potential concerns and are often asking advice on various issues during the examination. Please note that I do understand that just because one has always done something in this manner does not make it right, but sometimes it just seems personal. As Clerk Treasurer of the City of Rising Sun I see firsthand the dedication and commitment the City and Utility employees put into this community and some of the comments were at the very least disheartening.

Sincerely,

A handwritten signature in cursive script that reads "Rae Baker Gipson".

Rae Baker Gipson, Clerk Treasurer
City of Rising Sun

Cc: Branden Roeder, Mayor
Frank Kramer, City Attorney
Shawn Guidice, Utility Superintendent
Sue Bovard, Utility Office Manager

**CITY OF RISING SUN, INDIANA
GRANTS AND SUBSIDIES AGREEMENT**

This agreement is entered into by and between the Economic Development and the City of Rising Sun.

The City of Rising Sun hereby agrees to pay to Economic Development per Section 6 of the Interlocal Cooperation Agreement between the City of Rising Sun and Ohio County, Indiana, dated July 24, 1996 (see attached section 6 only) in the amount of \$6,273.15 for 1st Quarter FY12 and \$7,237.95 for 2nd Quarter FY12 distributions.

Economic Development agrees to the terms of the agreements with the City of Rising Sun and Ohio County.

CITY OF RISING SUN, INDIANA
By authority of the Common Council

Date: _____

Date: _____

(Signature)

Mayor Branden Roeder

(Print Name)

Address: _____

ATTEST:

Telephone: _____

Rae Baker Gipson, IAMC CMC/MMC/CMFA
Clerk-Treasurer

Fax: _____

City Mailing Address:
PO Box 172
Rising Sun, Indiana 47040

County of
Operation: _____

Federal ID: _____