

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF TELL CITY
PERRY COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/11/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jenny S. Richter	01-01-08 to 12-31-15
Mayor	Barbara L. Ewing	01-01-08 to 12-31-15
President of the Board of Public Works and Safety	Barbara L. Ewing	01-01-11 to 12-31-12
President of the Common Council	Gerald W. Yackle	01-01-11 to 12-31-12
Superintendent of the Water Utility	R. Dale Poole	01-01-11 to 12-31-12
Superintendent of the Wastewater Utility	Bruce W. Badger	01-01-11 to 12-31-12
Superintendent of the Electric Utility	Marlow J. Smethurst	01-01-11 to 12-31-12
Electric Utility Office Manager	Lynne Rice	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the City of Tell City (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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.

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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 31, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of 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, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 31, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the City of Tell City (City), for the year ended December 31, 2011, and have issued our report thereon dated July 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 31, 2012

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 TELL CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 512,133	\$ 3,109,242	\$ 3,424,743	\$ 196,632
Motor Vehicle Highway	24,600	249,993	243,039	31,554
Local Road And Street	180	28,719	28,468	431
Alcohol Enforcement	1,513	-	-	1,513
Economic Development Commission	65,801	29,400	51,341	43,860
Community Development Block Grant	41,989	44,834	46,000	40,823
Law Enforcement Continuing Education	24,687	7,251	14,893	17,045
Riverboat	49,427	49,094	70,001	28,520
Rainy Day	260,602	-	-	260,602
Levy Excess	5,731	-	5,731	-
Cumulative Capital Improvement - Cigarette Tax	65,314	22,528	38,555	49,287
Cumulative Capital Development	58,986	57,688	75,762	40,912
CEDIT Capital Projects	455,007	524,150	538,998	440,159
Self-Insurance Employee Benefit	(7,594)	1,274,966	1,240,955	26,417
Police Pension	76,793	111,007	112,369	75,431
Payroll - 1977 Police Pension	-	29,472	29,472	-
FEMA	-	119,077	119,077	-
IMPA - Street Light Grant	-	2,969	-	2,969
Donations	25,999	5,619	11,716	19,902
Total Monies Investments	672	3,607	4,068	211
DARE	30	-	-	30
Schergens Center	9,023	8,875	14,692	3,206
TC Port	215,265	11,273	1,766	224,772
Brownfield Loan	167,813	-	-	167,813
TC Electric Promotional Account	32	3,500	3,150	382
Seat Belt Grant/Operation Pullover	390	7,650	7,753	287
Waste Tire Grant	10,108	-	10,108	-
TC Revolving Loan - EDC	185,550	22,776	124	208,202
IRP Revolving Loan	66,429	22,029	6,261	82,197
Columbarium	3,440	-	595	2,845
Community Masoleums	18,328	6,800	4,800	20,328
Schergens Communication	67	-	-	67
Schergens Center Concessions	5,051	3,950	3,749	5,252
Pool Concession	3,350	6,538	6,811	3,077
Clemens Lights Lease	6,057	12,500	18,557	-
EDC - Donation	3,637	-	-	3,637
Riverwalk/Comm Foundation	(3,099)	19,775	16,676	-
Fenn	4,855	-	-	4,855
Revolving Loan - Investment	114,308	229	229	114,308
Brownfields Grant	1	-	-	1
Trash Collection	20,980	436,383	440,256	17,107
HUD Housing - RLF	144,753	181,155	189,585	136,323
Wellness	1,517	8,000	7,781	1,736
Energy Efficiency CBDG	(28,669)	28,669	-	-
Pestalozzi Ditch Project	-	4,200	4,200	-
River Road Improvement	-	86,407	86,407	-
Police Lease/Rental	52,419	105,822	121,994	36,247
Edit Reserve	289,770	128,635	62,540	355,865
Tell City Chair Property	70,666	-	-	70,666
Neighborhood Stabilization Program	1,089	1,207,110	990,040	218,159
Safe Route To Schools	-	24,440	24,440	-

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

CITY OF TELL CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Transportation Enhancement	36,042	18,269	30,240	24,071
Cemetery Perpetuity	12,017	149	1,441	10,725
Payroll	-	666,157	666,157	-
Deferred Compensation	-	11,480	11,480	-
Tax EFT	19,706	542,891	542,682	19,915
PERF	-	75,117	75,117	-
Barrett Law Surplus	15,259	-	-	15,259
Payroll Withholding - Federal	-	265,032	265,032	-
Payroll Withholding - State	-	84,260	84,260	-
FICA	-	205,036	205,036	-
Payroll Withholding - Local Tax	-	25,858	25,858	-
Life Insurance	-	8,977	8,977	-
Health Insurance	-	332,651	332,651	-
Dental Insurance	-	18,737	18,737	-
Cancer Insurance	-	11,844	11,844	-
Payroll Withholding - United Way	-	934	934	-
Payroll Withholding - Medicare	-	72,824	72,824	-
Direct Deposit - German American	-	406,196	406,196	-
Payroll Withholding - Garnishment	-	14,120	14,120	-
Direct Deposit - Fifth Third Bank	-	442,294	442,294	-
Direct Deposit - Old Nat'l Bank	-	255,329	255,329	-
Direct Deposit - Toyota Federal Credit Union	-	28,229	28,229	-
Direct Deposit - Independence Bank	-	29,573	29,573	-
Gross Tax - EFT	550	-	-	550
Electric Payroll - EFT	-	1,234,636	1,234,636	-
Direct Deposit - Woodforest Nat'l Bank	-	23,350	23,350	-
Direct Deposit - Freedom Bank	-	24,381	24,381	-
Electric Operating	1,080,698	15,722,002	15,773,300	1,029,400
Electric Customer Deposit	234,375	40,268	34,103	240,540
Electric Operating Reserve	1,315,000	135,000	-	1,450,000
Electric Expansion Reserve	2,407,564	666,000	1,650,000	1,423,564
Electric Waupaca Depreciation Reserve	51,000	20,400	-	71,400
Wastewater Operating	940,545	3,985,817	3,462,849	1,463,513
Wastewater Bond and Interest	126,947	183,736	184,169	126,514
Wastewater Construction	17,603	990,468	990,465	17,606
Wastewater TC/BTC Construction	13,970	-	-	13,970
Wastewater CSO/SRF Sinking	238,226	482,400	417,910	302,716
Wastewater CSO Debt Service Reserve	351,624	74,897	-	426,521
Water Operating	585,738	1,436,816	1,582,688	439,866
Water Bond and Interest	30,112	527,119	527,147	30,084
Waterworks Construction	3,258	-	-	3,258
Water Waupaca Depreciation & Improvement	312,799	325,200	278,333	359,666
Water Debt Service Reserve 2005B	141,533	-	-	141,533
Water Debt Service Reserve 2000B	47,384	-	-	47,384
Water Debt Service Reserve 2005A	268,069	-	-	268,069
Water Debt Service Reserve 1999A	69,623	-	-	69,623
Totals	\$ 11,344,642	\$ 37,394,779	\$ 37,790,044	\$ 10,949,377

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

CITY OF TELL CITY
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

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 include 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.

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

CITY OF TELL CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. The aggregate disbursements include 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 TELL CITY
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.

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.

CITY OF TELL CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any 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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

CITY OF TELL CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

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

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

The City also contributes to an additional pension plan unique to the City. Information regarding this plan may be obtained from the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Alcohol Enforcement	Economic Development Commission	Community Development Block Grant	Law Enforcement Continuing Education	Riverboat	Rainy Day
Cash and investments - beginning	\$ 512,133	\$ 24,600	\$ 180	\$ 1,513	\$ 65,801	\$ 41,989	\$ 24,687	\$ 49,427	\$ 260,602
Receipts:									
Taxes	1,599,591	-	-	-	-	-	-	-	-
Licenses and permits	58,765	-	-	-	-	-	3,295	-	-
Intergovernmental	923,630	249,993	28,719	-	-	-	-	-	-
Charges for services	256,749	-	-	-	29,400	-	3,956	-	-
Fines and forfeits	5,900	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	264,607	-	-	-	-	44,834	-	49,094	-
Total receipts	3,109,242	249,993	28,719	-	29,400	44,834	7,251	49,094	-
Disbursements:									
Personal services	2,066,230	171,297	-	-	40,617	-	-	-	-
Supplies	202,499	71,742	-	-	172	-	-	-	-
Other services and charges	921,132	-	28,468	-	10,302	-	-	-	-
Debt service - principal and interest	36,495	-	-	-	-	-	-	-	-
Capital outlay	108,890	-	-	-	250	-	14,893	61,498	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	89,497	-	-	-	-	46,000	-	8,503	-
Total disbursements	3,424,743	243,039	28,468	-	51,341	46,000	14,893	70,001	-
Excess (deficiency) of receipts over disbursements	(315,501)	6,954	251	-	(21,941)	(1,166)	(7,642)	(20,907)	-
Cash and investments - ending	\$ 196,632	\$ 31,554	\$ 431	\$ 1,513	\$ 43,860	\$ 40,823	\$ 17,045	\$ 28,520	\$ 260,602

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Levy Excess	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development	CEDIT Capital Projects	Self-Insurance Employee Benefit	Police Pension	Payroll 1977 Police Pension	FEMA	IMPA - Street Light Grant
Cash and investments - beginning	\$ 5,731	\$ 65,314	\$ 58,986	\$ 455,007	\$ (7,594)	\$ 76,793	\$ -	\$ -	\$ -
Receipts:									
Taxes	-	-	48,783	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	22,528	8,905	524,150	-	111,007	-	119,077	2,969
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,274,966	-	29,472	-	-
Total receipts	-	22,528	57,688	524,150	1,274,966	111,007	29,472	119,077	2,969
Disbursements:									
Personal services	-	-	-	-	-	-	29,472	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	38,555	-	157,771	1,240,955	250	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	73,175	206,447	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	5,731	-	2,587	174,780	-	112,119	-	119,077	-
Total disbursements	5,731	38,555	75,762	538,998	1,240,955	112,369	29,472	119,077	-
Excess (deficiency) of receipts over disbursements	(5,731)	(16,027)	(18,074)	(14,848)	34,011	(1,362)	-	-	2,969
Cash and investments - ending	\$ -	\$ 49,287	\$ 40,912	\$ 440,159	\$ 26,417	\$ 75,431	\$ -	\$ -	\$ 2,969

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Donations	Total Monies Investments	DARE	Schergens Center	TC Port	Brownfield Loan	TC Electric Promotional Account	Seat Belt Grant/Operation Pullover	Waste Tire Grant
Cash and investments - beginning	\$ 25,999	\$ 672	\$ 30	\$ 9,023	\$ 215,265	\$ 167,813	\$ 32	\$ 390	\$ 10,108
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	7,650	-
Charges for services	-	-	-	8,875	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	5,619	3,607	-	-	11,273	-	3,500	-	-
Total receipts	5,619	3,607	-	8,875	11,273	-	3,500	7,650	-
Disbursements:									
Personal services	-	-	-	-	-	-	-	7,753	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	3,150	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	5,713	-	-	-	-	-	-	-	10,108
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	6,003	4,068	-	14,692	1,766	-	-	-	-
Total disbursements	11,716	4,068	-	14,692	1,766	-	3,150	7,753	10,108
Excess (deficiency) of receipts over disbursements	(6,097)	(461)	-	(5,817)	9,507	-	350	(103)	(10,108)
Cash and investments - ending	\$ 19,902	\$ 211	\$ 30	\$ 3,206	\$ 224,772	\$ 167,813	\$ 382	\$ 287	\$ -

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	TC Revolving Loan-EDC	IRP Revolving Loan	Columbarium	Community Masoleums	Schergens Communication	Schergens Center Concessions	Pool Concession	Clemens Lights Lease	EDC-Donation
Cash and investments - beginning	\$ 185,550	\$ 66,429	\$ 3,440	\$ 18,328	\$ 67	\$ 5,051	\$ 3,350	\$ 6,057	\$ 3,637
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	6,800	-	3,950	-	12,500	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	22,776	22,029	-	-	-	-	6,538	-	-
Total receipts	22,776	22,029	-	6,800	-	3,950	6,538	12,500	-
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	6,811	-	-
Other services and charges	-	-	595	4,800	-	3,749	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	18,557	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	124	6,261	-	-	-	-	-	-	-
Total disbursements	124	6,261	595	4,800	-	3,749	6,811	18,557	-
Excess (deficiency) of receipts over disbursements	22,652	15,768	(595)	2,000	-	201	(273)	(6,057)	-
Cash and investments - ending	\$ 208,202	\$ 82,197	\$ 2,845	\$ 20,328	\$ 67	\$ 5,252	\$ 3,077	\$ -	\$ 3,637

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Riverwalk/Comm Foundation	Fenn	Revolving Loan - Investment	Brownfields Grant	Trash Collection	HUD Housing - RLF	Wellness	Energy Efficiency CBDG	Pestalozzi Ditch Project
Cash and investments - beginning	\$ (3,099)	\$ 4,855	\$ 114,308	\$ 1	\$ 20,980	\$ 144,753	\$ 1,517	\$ (28,669)	\$ -
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	19,775	-	-	-	-	181,155	-	28,669	-
Charges for services	-	-	-	-	434,999	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	229	-	1,384	-	8,000	-	4,200
Total receipts	19,775	-	229	-	436,383	181,155	8,000	28,669	4,200
Disbursements:									
Personal services	-	-	-	-	298,057	-	-	-	-
Supplies	-	-	-	-	27,884	-	-	-	-
Other services and charges	-	-	-	-	96,698	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	16,676	-	-	-	17,617	-	-	-	4,200
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	229	-	-	189,585	7,781	-	-
Total disbursements	16,676	-	229	-	440,256	189,585	7,781	-	4,200
Excess (deficiency) of receipts over disbursements	3,099	-	-	-	(3,873)	(8,430)	219	28,669	-
Cash and investments - ending	\$ -	\$ 4,855	\$ 114,308	\$ 1	\$ 17,107	\$ 136,323	\$ 1,736	\$ -	\$ -

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	River Road Improvement	Police Lease/Rental	Edit Reserve	Tell City Chair Property	Neighborhood Stabilization Program	Safe Route To Schools	Transportation Enhancement	Cemetery Perpetuity	Payroll
Cash and investments - beginning	\$ -	\$ 52,419	\$ 289,770	\$ 70,666	\$ 1,089	\$ -	\$ 36,042	\$ 12,017	\$ -
Receipts:									
Taxes	-	89,266	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	16,556	-	-	872,390	24,440	18,269	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	86,407	-	128,635	-	334,720	-	-	149	666,157
Total receipts	86,407	105,822	128,635	-	1,207,110	24,440	18,269	149	666,157
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	666,157
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	1,441	-
Debt service - principal and interest	-	117,000	62,540	-	-	-	-	-	-
Capital outlay	86,407	-	-	-	990,040	24,440	30,240	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	4,994	-	-	-	-	-	-	-
Total disbursements	86,407	121,994	62,540	-	990,040	24,440	30,240	1,441	666,157
Excess (deficiency) of receipts over disbursements	-	(16,172)	66,095	-	217,070	-	(11,971)	(1,292)	-
Cash and investments - ending	\$ -	\$ 36,247	\$ 355,865	\$ 70,666	\$ 218,159	\$ -	\$ 24,071	\$ 10,725	\$ -

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Deferred Compensation	Tax EFT	PERF	Barrett Law Surplus	Payroll Withholding Federal	Payroll Withholding State	FICA	Payroll Withholding Local Tax	Life Insurance
Cash and investments - beginning	\$ -	\$ 19,706	\$ -	\$ 15,259	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	11,480	542,891	75,117	-	265,032	84,260	205,036	25,858	8,977
Total receipts	11,480	542,891	75,117	-	265,032	84,260	205,036	25,858	8,977
Disbursements:									
Personal services	11,480	-	75,117	-	-	-	-	-	8,977
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	542,682	-	-	265,032	84,260	205,036	25,858	-
Total disbursements	11,480	542,682	75,117	-	265,032	84,260	205,036	25,858	8,977
Excess (deficiency) of receipts over disbursements	-	209	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 19,915	\$ -	\$ 15,259	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Health Insurance	Dental Insurance	Cancer Insurance	Payroll Withholding United Way	Payroll Withholding Medicare	Direct Deposit German American	Payroll Withholding Garnishment	Direct Deposit Fifth Third Bank	Direct Deposit Old Nat'l Bank
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	332,651	18,737	11,844	934	72,824	406,196	14,120	442,294	255,329
Total receipts	332,651	18,737	11,844	934	72,824	406,196	14,120	442,294	255,329
Disbursements:									
Personal services	332,651	18,737	11,844	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	934	72,824	406,196	14,120	442,294	255,329
Total disbursements	332,651	18,737	11,844	934	72,824	406,196	14,120	442,294	255,329
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Direct Deposit Toyota Federal Credit Union	Direct Deposit Independence Bank	Gross Tax-EFT	Electric Payroll-EFT	Direct Deposit Woodforest Natl Bank	Direct Deposit Freedom Bank	Electric Operating	Electric Customer Deposit	Electric Operating Reserve
Cash and investments - beginning	\$ -	\$ -	\$ 550	\$ -	\$ -	\$ -	\$ 1,080,698	\$ 234,375	\$ 1,315,000
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	14,035,640	40,268	-
Other receipts	28,229	29,573	-	1,234,636	23,350	24,381	1,686,362	-	135,000
Total receipts	28,229	29,573	-	1,234,636	23,350	24,381	15,722,002	40,268	135,000
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,035,989	-	-
Utility operating expenses	-	-	-	-	-	-	12,912,411	12,218	-
Other disbursements	28,229	29,573	-	1,234,636	23,350	24,381	824,900	21,885	-
Total disbursements	28,229	29,573	-	1,234,636	23,350	24,381	15,773,300	34,103	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(51,298)	6,165	135,000
Cash and investments - ending	\$ -	\$ -	\$ 550	\$ -	\$ -	\$ -	\$ 1,029,400	\$ 240,540	\$ 1,450,000

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Electric Expansion Reserve	Electric Waupaca Depreciation Reserve	Wastewater Operating	Wastewater Bond and Interest	Wastewater Construction	Wastewater TC/BTC Construction	Wastewater CSO/SRF Sinking	Wastewater CSO Debt Service Reserve	Water Operating
Cash and investments - beginning	\$ 2,407,564	\$ 51,000	\$ 940,545	\$ 126,947	\$ 17,603	\$ 13,970	\$ 238,226	\$ 351,624	\$ 585,738
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	1,000,465	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	2,885,362	-	-	-	-	-	1,266,186
Other receipts	666,000	20,400	99,990	183,736	990,468	-	482,400	74,897	170,630
Total receipts	666,000	20,400	3,985,817	183,736	990,468	-	482,400	74,897	1,436,816
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	184,100	-	-	417,910	-	-
Capital outlay	-	-	59,727	-	963,465	-	-	-	26,900
Utility operating expenses	-	-	1,210,815	-	27,000	-	-	-	1,159,085
Other disbursements	1,650,000	-	2,192,307	69	-	-	-	-	396,703
Total disbursements	1,650,000	-	3,462,849	184,169	990,465	-	417,910	-	1,582,688
Excess (deficiency) of receipts over disbursements	(984,000)	20,400	522,968	(433)	3	-	64,490	74,897	(145,872)
Cash and investments - ending	\$ 1,423,564	\$ 71,400	\$ 1,463,513	\$ 126,514	\$ 17,606	\$ 13,970	\$ 302,716	\$ 426,521	\$ 439,866

CITY OF TELL CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Bond and Interest	Waterworks Construction	Water Waupaca Depreciation & Improvement	Water Debt Service Reserve 2005B	Water Debt Service Reserve 2000B	Water Debt Service Reserve 2005A	Water Debt Service Reserve 1999A	Totals
Cash and investments - beginning	\$ 30,112	\$ 3,258	\$ 312,799	\$ 141,533	\$ 47,384	\$ 268,069	\$ 69,623	\$ 11,344,642
Receipts:								
Taxes	-	-	-	-	-	-	-	1,737,640
Licenses and permits	-	-	-	-	-	-	-	62,060
Intergovernmental	-	-	-	-	-	-	-	4,160,347
Charges for services	-	-	-	-	-	-	-	757,229
Fines and forfeits	-	-	-	-	-	-	-	5,900
Utility fees	-	-	-	-	-	-	-	18,227,456
Other receipts	527,119	-	325,200	-	-	-	-	12,444,147
Total receipts	527,119	-	325,200	-	-	-	-	37,394,779
Disbursements:								
Personal services	-	-	-	-	-	-	-	3,738,389
Supplies	-	-	-	-	-	-	-	309,108
Other services and charges	-	-	-	-	-	-	-	2,507,866
Debt service - principal and interest	526,608	-	-	-	-	-	-	1,344,653
Capital outlay	-	-	-	-	-	-	-	4,755,232
Utility operating expenses	-	-	8,913	-	-	-	-	15,330,442
Other disbursements	539	-	269,420	-	-	-	-	9,804,354
Total disbursements	527,147	-	278,333	-	-	-	-	37,790,044
Excess (deficiency) of receipts over disbursements	(28)	-	46,867	-	-	-	-	(395,265)
Cash and investments - ending	\$ 30,084	\$ 3,258	\$ 359,666	\$ 141,533	\$ 47,384	\$ 268,069	\$ 69,623	\$ 10,949,377

CITY OF TELL CITY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities:	\$ -	\$ -
Electric Utility	1,029,993	600,093
Wastewater	17,343	14,026
Water Utility	<u>25,883</u>	<u>6,867</u>
 Totals	 <u>\$ 1,073,219</u>	 <u>\$ 620,986</u>

CITY OF TELL CITY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
OLD NATIONAL BANK	CONSTRUCTION OF POLICE STATION	\$ 115,000	07-15-03	01-15-23
OLD NATIONAL BANK	TRASH COMPACTOR 2007	<u>17,617</u>	11-16-08	05-16-13
Total governmental activities		<u>132,617</u>		
Total of annual lease payments		<u>\$ 132,617</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Brownfields Loan - Tell City Chair Company Property	\$ 430,983	\$ 46,145
Notes and loans payable	Police Lease/Rental	<u>990,000</u>	<u>115,000</u>
Total governmental activities		<u>1,420,983</u>	<u>161,145</u>
Wastewater Utility:			
Revenue bonds	Sewage Works Revenue Bonds of 2010-CSO	7,680,155	254,781
Revenue bonds	Sewage Works Revenue Bonds of 2006 Reamortized - CSO	1,064,000	83,130
Revenue bonds	Sewage Bonds Refunding Taxable 2010-CSO	152,707	80,000
Revenue bonds	Sewage Works Refunding Revenue Bonds of 1999	<u>795,000</u>	<u>184,100</u>
Total Wastewater		<u>9,691,862</u>	<u>602,011</u>
Water Utility:			
Revenue bonds	Waterworks Revenue Bonds of 1999 Series A	1,520,000	195,123
Revenue bonds	Taxable Waterworks Refunding Revenue Bonds of 2005 Series A	1,320,000	259,370
Revenue bonds	Waterworks SRF Revenue Bonds 2000 B Series	<u>855,000</u>	<u>60,303</u>
Total Water Utility		<u>3,695,000</u>	<u>514,796</u>
Totals		<u>\$ 14,807,845</u>	<u>\$ 1,277,952</u>

CITY OF TELL CITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 491,481
Infrastructure	5,359,193
Buildings	4,694,081
Improvements other than buildings	2,263,144
Machinery, equipment and vehicles	3,748,780
Total governmental activities	16,556,679
Electric Utility:	
Land	256,742
Infrastructure	111,447
Buildings	2,269,361
Improvements other than buildings	18,457,213
Machinery, equipment and vehicles	2,755,921
Construction in progress	1,211,051
Books and other	167,659
Total Electric Utility	25,229,394
Wastewater Utility:	
Land	10,936
Buildings	342,670
Improvements other than buildings	13,415,111
Machinery, equipment and vehicles	657,282
Total Wastewater	14,425,999
Water Utility:	
Land	11,724
Buildings	43,814
Improvements other than buildings	8,978,639
Machinery, equipment and vehicles	715,483
Total Water Utility	9,749,660
Total capital assets	\$ 65,961,732

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Tell City (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2011. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 31, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF TELL CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants to Hawaii	14.228		
CSO Grant (Disaster Recovery Fund)		DR2-09-062	\$ 990,465
Pestalozzi Ditch Grant (Disaster Recovery Fund)		DR2-09-027	4,200
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program and Non-Entitlement Grants to Hawaii	14.228		
Neighborhood Stabilization Program		NSP1-009-001	537,670
Housing from Shelters to Home Ownership		HD-009-023	177,200
Total for federal grantor agency			<u>1,709,535</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205		
Safe Routes to Schools Elementary School to Library		EDS# A249-09-320658	22,752
Transportation Enhancement Library to Greenway		TE - PJT #1090060PD	18,269
ARRA - Highway Planning and Construction Riverwalk Project - Engineering	20.205	EDS # A249-10-320505	16,676
Total for program			<u>57,697</u>
Pass-Through Indiana Department of Natural Resources Recreational Trails Program Riverwalk	20.219	RTP-06-006	57,342
Total for cluster			<u>115,039</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600		
Big City/Big County Enforcement Program		PT-11-04-04-48	5,363
Big City/Big County Enforcement Program		PT-12-11-04-45	2,287
Total for cluster			<u>7,650</u>
Total for federal grantor agency			<u>122,689</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds Long-Term Control Project	66.458	WW 09 03 62 02	715,942
Total for federal grantor agency			<u>715,942</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) DR-1997	97.036	123-75248-00	119,077
Total for federal grantor agency			<u>119,077</u>
Total federal awards expended			<u>\$ 2,667,243</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF TELL CITY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

CITY OF TELL CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

CDBG – State-Administered CDBG Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF TELL CITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF TELL CITY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2012, with Barbara L. Ewing, Mayor; Gerald W. Yackle, President of the Common Council; R. Dale Poole, Superintendent of the Water Utility; Bruce W. Badger, Superintendent of the Wastewater Utility; J. B. Land, Chairman of the Electric Utility Service Board; A. Joseph Malone, Vice Chairman of the Electric Utility Service Board; Marlow J. Smethurst, Superintendent of the Electric Utility; Lynne Rice, Electric Utility Office Manager; Marcia F. Parker, former Electric Utility Office Manager; and Jenny S. Richter, Clerk-Treasurer. Our audit disclosed no material items that warrant comment at this time.