

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF BLUFFTON

WELLS COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
10/17/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamara D. Runyon	01-01-08 to 12-31-15
Mayor	Ted L. Ellis	01-01-08 to 12-31-15
President of the Board of Public Works and Safety	Ted L. Ellis	01-01-08 to 12-31-15
President of the Common Council	James E. Phillabaum	01-01-11 to 12-31-12
Superintendent of Water Utility	Mark K. Baller (Interim)	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	Robin L. Merchant Mark K. Baller (Interim)	01-01-11 to 06-25-12 06-26-12 to 12-31-12
Superintendent of Electric Utility	Mark K. Baller (Interim)	01-01-11 to 12-31-12
Utility Operations Manager	Mark K. Baller	01-01-11 to 12-31-12
Utility Office Manager	Roy D. Esmond	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF BLUFFTON, WELLS COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Bluffton (City), for the year ended December 31, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our examination.

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

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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.

Our examination 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, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

September 12, 2012

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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 BLUFFTON
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	\$ 516,908	\$ 4,915,894	\$ 4,751,704	\$ 681,098
Motor Vehicle Highway	236,448	752,258	804,170	184,536
Local Road And Street	19,077	39,597	-	58,674
Law Enforcement Continuing Education	55,371	6,919	20	62,270
Clerk's Records Perpetuation	28,017	1,859	4,623	25,253
Unsafe Building	9,720	-	400	9,320
Parks And Recreation	365,057	571,219	720,621	215,655
Law Enforcement User Fees	15,040	3,685	1,913	16,812
Rainy Day	806,252	24,779	257,734	573,297
K-9 Donations	1,061	-	22	1,039
Economic Development Income Tax	1,765,470	696,633	926,364	1,535,739
Levy Excess	8,694	-	8,694	-
Detective Grant	26,264	17,534	17,864	25,934
Cumulative Capital Improvement	272,309	27,820	-	300,129
Cumulative Capital Development	827,719	146,346	79,357	894,708
Park And Recreation Capital Improvement	25,791	11,760	4,000	33,551
General Improvement	88,492	16,324	7,863	96,953
Self-Insurance	1,948,365	2,101,949	2,156,695	1,893,619
Old Police Pension	115,481	243,078	246,260	112,299
City Court	6,916	151,423	151,486	6,853
Grants	4,345	17,724	18,538	3,531
DARE	7,239	3,040	2,930	7,349
County Court Costs	62	25,845	25,845	62
LOIT-Public Safety	266,192	67,116	100,000	233,308
Animal Shelter Vet Fees	15,158	4,915	5,217	14,856
Special Programs	10,695	10,946	9,061	12,580
Park And Recreation Dance	3,389	1,362	632	4,119
Park And Recreation Sports	17,457	4,303	6,578	15,182
Park And Recreation Special Programs	14,431	5,324	2,461	17,294
Animal Care Donations	14,815	1,852	5,844	10,823
Memorial Park	370	-	-	370
Veterans Memorial Park	1,478	-	-	1,478
Adams Street Redevelopment	115,431	175,598	163,649	127,380
Robert Covault Memorial	32,934	12,000	-	44,934
Police Training	1,605	-	-	1,605
Park And Recreation Land Acquisition	37,927	37,900	37,900	37,927
Wells Community Pool Non-Reverting	114,245	122,857	116,000	121,102
Bluffton/Wells County Fire Department Communication Tower	40	1,399	1,399	40
Domestic Violence Abuse	274	1,610	661	1,223
Police Programs	5,453	4,379	4,354	5,478
Park Special	100	-	100	-
EDC Miscellaneous Revenue	900,824	292,114	250,000	942,938
Payroll	122,810	5,183,000	5,294,889	10,921
Electric Utility-Operating	4,724,968	20,879,522	22,685,921	2,918,569
Electric Utility-Depreciation	1,815,115	1,050,708	379,603	2,486,220
Electric Utility-Customer Deposit	320,452	68,200	51,901	336,751
Electric Utility-Insurance Reserve	240,340	48,000	-	288,340
Electric Utility-Cash Reserve	69,678	79,224	90,000	58,902
Wastewater Utility-Operating	213,383	3,039,328	2,822,719	429,992
Wastewater Utility-Bond And Interest	38,007	618,250	618,250	38,007
Wastewater Utility-Improvement	383,518	52,447	125,937	310,028
Wastewater Utility-Debt Reserve	637,532	-	-	637,532
Water Utility-Operating	55,911	1,482,455	1,311,339	227,027
Water Utility-Depreciation	6	-	-	6
Water Utility-North Oaks Escrow	30,879	-	-	30,879
Totals	<u>\$ 17,355,515</u>	<u>\$ 43,020,495</u>	<u>\$ 44,271,518</u>	<u>\$ 16,104,492</u>

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

CITY OF BLUFFTON
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, 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 may 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 state,

CITY OF BLUFFTON
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Penalties which include fees received for late payments.

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 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.

CITY OF BLUFFTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF BLUFFTON
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 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

CITY OF BLUFFTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

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 statement 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 statement 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.

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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 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 approved by management of the City. It is presented as intended by the City.

CITY OF BLUFFTON
 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	Law Enforcement Continuing Education	Clerk's Records Perpetuation	Unsafe Building	Parks And Recreation
Cash and investments - beginning	\$ 516,908	\$ 236,448	\$ 19,077	\$ 55,371	\$ 28,017	\$ 9,720	\$ 365,057
Receipts:							
Taxes	1,777,310	460,624	-	-	-	-	289,640
Licenses and permits	805	-	-	2,325	-	-	-
Intergovernmental	1,329,723	281,271	39,597	-	-	-	21,649
Charges for services	638,052	1,770	-	3,700	-	-	74,755
Fines and forfeits	29,821	-	-	894	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,140,183	8,593	-	-	1,859	-	185,175
Total receipts	<u>4,915,894</u>	<u>752,258</u>	<u>39,597</u>	<u>6,919</u>	<u>1,859</u>	<u>-</u>	<u>571,219</u>
Disbursements:							
Personal services	2,900,419	399,188	-	-	-	-	324,019
Supplies	126,157	191,821	-	-	-	-	62,054
Other services and charges	642,850	63,161	-	-	4,623	400	131,577
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	82,278	150,000	-	-	-	-	45,974
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,000,000	-	-	20	-	-	156,997
Total disbursements	<u>4,751,704</u>	<u>804,170</u>	<u>-</u>	<u>20</u>	<u>4,623</u>	<u>400</u>	<u>720,621</u>
Excess (deficiency) of receipts over disbursements	<u>164,190</u>	<u>(51,912)</u>	<u>39,597</u>	<u>6,899</u>	<u>(2,764)</u>	<u>(400)</u>	<u>(149,402)</u>
Cash and investments - ending	<u>\$ 681,098</u>	<u>\$ 184,536</u>	<u>\$ 58,674</u>	<u>\$ 62,270</u>	<u>\$ 25,253</u>	<u>\$ 9,320</u>	<u>\$ 215,655</u>

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

	Law Enforcement User Fees	Rainy Day	K-9 Donations	Economic Development Income Tax	Levy Excess	Detective Grant	Cumulative Capital Improvement
Cash and investments - beginning	\$ 15,040	\$ 806,252	\$ 1,061	\$ 1,765,470	\$ 8,694	\$ 26,264	\$ 272,309
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	336,535	-	15,693	27,385
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	3,685	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	24,779	-	360,098	-	1,841	435
Total receipts	<u>3,685</u>	<u>24,779</u>	<u>-</u>	<u>696,633</u>	<u>-</u>	<u>17,534</u>	<u>27,820</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	22	-	-	13,160	-
Other services and charges	-	257,734	-	47,154	-	4,704	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	629,210	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,913	-	-	250,000	8,694	-	-
Total disbursements	<u>1,913</u>	<u>257,734</u>	<u>22</u>	<u>926,364</u>	<u>8,694</u>	<u>17,864</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,772</u>	<u>(232,955)</u>	<u>(22)</u>	<u>(229,731)</u>	<u>(8,694)</u>	<u>(330)</u>	<u>27,820</u>
Cash and investments - ending	<u>\$ 16,812</u>	<u>\$ 573,297</u>	<u>\$ 1,039</u>	<u>\$ 1,535,739</u>	<u>\$ -</u>	<u>\$ 25,934</u>	<u>\$ 300,129</u>

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

	Cumulative Capital Development	Park And Recreation Capital Improvement	General Improvement	Self-Insurance	Old Police Pension	City Court
Cash and investments - beginning	\$ 827,719	\$ 25,791	\$ 88,492	\$ 1,948,365	\$ 115,481	\$ 6,916
Receipts:						
Taxes	123,973	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	9,266	-	-	-	242,992	-
Charges for services	-	7,760	-	-	-	-
Fines and forfeits	-	-	-	-	-	151,423
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	13,107	4,000	16,324	2,101,949	86	-
Total receipts	<u>146,346</u>	<u>11,760</u>	<u>16,324</u>	<u>2,101,949</u>	<u>243,078</u>	<u>151,423</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	4,403	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	79,357	4,000	7,863	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	2,152,292	246,260	151,486
Total disbursements	<u>79,357</u>	<u>4,000</u>	<u>7,863</u>	<u>2,156,695</u>	<u>246,260</u>	<u>151,486</u>
Excess (deficiency) of receipts over disbursements	<u>66,989</u>	<u>7,760</u>	<u>8,461</u>	<u>(54,746)</u>	<u>(3,182)</u>	<u>(63)</u>
Cash and investments - ending	<u>\$ 894,708</u>	<u>\$ 33,551</u>	<u>\$ 96,953</u>	<u>\$ 1,893,619</u>	<u>\$ 112,299</u>	<u>\$ 6,853</u>

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

	Grants	DARE	County Court Costs	LOIT-Public Safety	Animal Shelter Vet Fees	Special Programs
Cash and investments - beginning	\$ 4,345	\$ 7,239	\$ 62	\$ 266,192	\$ 15,158	\$ 10,695
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	11,977	-	-	66,693	-	-
Charges for services	1,161	-	-	-	-	-
Fines and forfeits	-	-	25,845	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	4,586	3,040	-	423	4,915	10,946
Total receipts	17,724	3,040	25,845	67,116	4,915	10,946
Disbursements:						
Personal services	-	-	-	100,000	-	-
Supplies	15,926	2,930	-	-	-	6,718
Other services and charges	1,646	-	-	-	5,217	1,573
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	501	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	465	-	25,845	-	-	770
Total disbursements	18,538	2,930	25,845	100,000	5,217	9,061
Excess (deficiency) of receipts over disbursements	(814)	110	-	(32,884)	(302)	1,885
Cash and investments - ending	\$ 3,531	\$ 7,349	\$ 62	\$ 233,308	\$ 14,856	\$ 12,580

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

	Park And Recreation Dance	Park And Recreation Sports	Park And Recreation Special Programs	Animal Care Donations	Memorial Park	Veterans Memorial Park
Cash and investments - beginning	\$ 3,389	\$ 17,457	\$ 14,431	\$ 14,815	\$ 370	\$ 1,478
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,362	4,303	5,324	1,852	-	-
Total receipts	1,362	4,303	5,324	1,852	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	282	6,578	1,979	673	-	-
Other services and charges	350	-	482	5,171	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	632	6,578	2,461	5,844	-	-
Excess (deficiency) of receipts over disbursements	730	(2,275)	2,863	(3,992)	-	-
Cash and investments - ending	\$ 4,119	\$ 15,182	\$ 17,294	\$ 10,823	\$ 370	\$ 1,478

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

	Adams Street Redevelopment	Robert Covault Memorial	Police Training	Park And Recreation Land Acquisition	Wells Community Pool Non-Reverting	Bluffton/Wells County Fire Department Communication Tower
Cash and investments - beginning	\$ 115,431	\$ 32,934	\$ 1,605	\$ 37,927	\$ 114,245	\$ 40
Receipts:						
Taxes	175,414	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,399
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	184	12,000	-	37,900	122,857	-
Total receipts	<u>175,598</u>	<u>12,000</u>	<u>-</u>	<u>37,900</u>	<u>122,857</u>	<u>1,399</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	4,490	-	-	-	2,000	1,399
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	52,021	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	107,138	-	-	37,900	114,000	-
Total disbursements	<u>163,649</u>	<u>-</u>	<u>-</u>	<u>37,900</u>	<u>116,000</u>	<u>1,399</u>
Excess (deficiency) of receipts over disbursements	<u>11,949</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>6,857</u>	<u>-</u>
Cash and investments - ending	<u>\$ 127,380</u>	<u>\$ 44,934</u>	<u>\$ 1,605</u>	<u>\$ 37,927</u>	<u>\$ 121,102</u>	<u>\$ 40</u>

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

	Domestic Violence Abuse	Police Programs	Park Special	EDC Miscellaneous Revenue	Payroll	Electric Utility-Operating
Cash and investments - beginning	\$ 274	\$ 5,453	\$ 100	\$ 900,824	\$ 122,810	\$ 4,724,968
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,200	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	20,624,757
Penalties	-	-	-	-	-	46,434
Other receipts	1,610	3,179	-	292,114	5,183,000	208,331
Total receipts	1,610	4,379	-	292,114	5,183,000	20,879,522
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	661	3,454	-	-	-	-
Other services and charges	-	900	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	22,685,921
Other disbursements	-	-	100	250,000	5,294,889	-
Total disbursements	661	4,354	100	250,000	5,294,889	22,685,921
Excess (deficiency) of receipts over disbursements	949	25	(100)	42,114	(111,889)	(1,806,399)
Cash and investments - ending	\$ 1,223	\$ 5,478	\$ -	\$ 942,938	\$ 10,921	\$ 2,918,569

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

	Electric Utility- Depreciation	Electric Utility- Customer Deposit	Electric Utility- Insurance Reserve	Electric Utility- Cash Reserve	Wastewater Utility- Operating	Wastewater Utility- Bond And Interest
Cash and investments - beginning	\$ 1,815,115	\$ 320,452	\$ 240,340	\$ 69,678	\$ 213,383	\$ 38,007
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	2,973,426	-
Penalties	-	-	-	-	60,336	-
Other receipts	1,050,708	68,200	48,000	79,224	5,566	618,250
Total receipts	<u>1,050,708</u>	<u>68,200</u>	<u>48,000</u>	<u>79,224</u>	<u>3,039,328</u>	<u>618,250</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	618,250
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	2,822,719	-
Other disbursements	379,603	51,901	-	90,000	-	-
Total disbursements	<u>379,603</u>	<u>51,901</u>	<u>-</u>	<u>90,000</u>	<u>2,822,719</u>	<u>618,250</u>
Excess (deficiency) of receipts over disbursements	<u>671,105</u>	<u>16,299</u>	<u>48,000</u>	<u>(10,776)</u>	<u>216,609</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,486,220</u>	<u>\$ 336,751</u>	<u>\$ 288,340</u>	<u>\$ 58,902</u>	<u>\$ 429,992</u>	<u>\$ 38,007</u>

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

	Wastewater Utility- Improvement	Wastewater Utility- Debt Reserve	Water Utility- Operating	Water Utility- Depreciation	Water Utility- North Oaks Escrow	Totals
Cash and investments - beginning	\$ 383,518	\$ 637,532	\$ 55,911	\$ 6	\$ 30,879	\$ 17,355,515
Receipts:						
Taxes	-	-	-	-	-	2,826,961
Licenses and permits	-	-	-	-	-	3,130
Intergovernmental	-	-	-	-	-	2,383,981
Charges for services	-	-	-	-	-	728,597
Fines and forfeits	-	-	-	-	-	211,668
Utility fees	-	-	1,472,118	-	-	25,070,301
Penalties	-	-	9,409	-	-	116,179
Other receipts	52,447	-	928	-	-	11,679,678
Total receipts	52,447	-	1,482,455	-	-	43,020,495
Disbursements:						
Personal services	-	-	-	-	-	3,723,626
Supplies	-	-	-	-	-	432,415
Other services and charges	-	-	-	-	-	1,179,834
Debt service - principal and interest	-	-	-	-	-	618,250
Capital outlay	-	-	-	-	-	1,051,204
Utility operating expenses	-	-	1,311,339	-	-	26,819,979
Other disbursements	125,937	-	-	-	-	10,446,210
Total disbursements	125,937	-	1,311,339	-	-	44,271,518
Excess (deficiency) of receipts over disbursements	(73,490)	-	171,116	-	-	(1,251,023)
Cash and investments - ending	\$ 310,028	\$ 637,532	\$ 227,027	\$ 6	\$ 30,879	\$ 16,104,492

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 69,998	\$ 6,672
Electric	1,613,458	611,316
Wastewater	88,482	228,912
Water	7,719	76,416
Totals	\$ 1,779,657	\$ 923,316

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue bonds	New Treatment Plant/update system	\$ 1,650,000	\$ 297,281
Revenue bonds	New Treatment Plant/Update system	<u>585,000</u>	<u>14,991</u>
Totals		<u>\$ 2,235,000</u>	<u>\$ 312,272</u>

CITY OF BLUFFTON
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	\$ 2,349,841
Infrastructure	2,475,785
Buildings	1,976,720
Improvements other than buildings	1,196,574
Machinery, equipment and vehicles	3,449,298
Construction in progress	1,326,889
Total governmental activities	12,775,107
Electric:	
Land	49,116
Buildings	1,496,616
Improvements other than buildings	11,323,452
Machinery, equipment and vehicles	4,726,647
Total Electric	17,595,831
Wastewater:	
Land	573,560
Buildings	418,158
Improvements other than buildings	9,669,595
Machinery, equipment and vehicles	3,854,484
Construction in progress	69,518
Total Wastewater	14,585,315
Water:	
Land	218,616
Buildings	370,611
Improvements other than buildings	6,768,121
Machinery, equipment and vehicles	471,923
Construction in progress	20,965
Total Water	7,850,236
Total capital assets	\$ 52,806,489

CITY OF BLUFFTON
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2012, with Tamara D. Runyon, Clerk-Treasurer, and Ted L. Ellis, Mayor. Our examination disclosed no material items that warrant comment at this time.