

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF DELPHI

CARROLL COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
10/10/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Leanne Aldrich	01-01-12 to 12-31-15
Mayor	Randy Strasser	01-01-12 to 12-31-15
President of the Board of Public Works	Randy Strasser	01-01-12 to 12-31-13
President of the Common Council	Carolyn Pearson	01-01-12 to 12-31-13
Superintendent of Utilities	Richard VanSickle	01-01-12 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF DELPHI, CARROLL COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Delphi (City), for the year ended December 31, 2012. 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. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

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, 2012, 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.

Bruce Hartman
State Examiner

August 29, 2013

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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 DELPHI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 4,435,403	\$ 2,161,598	\$ 1,624,904	\$ 4,972,097
MVH	185,913	106,807	108,403	184,317
Local Roads And Streets	9,935	10,686	1,788	18,833
Airport Donations	3,644	90	-	3,734
EDIT	161,184	144,789	116,219	189,754
Animal Control	899	-	-	899
Operation Pullover	114	4,396	4,426	84
Solid Waste	60,230	122,369	114,429	68,170
TLEO	6,205	2,920	3,095	6,030
Rainy Day Fund	188,022	95,673	33,395	250,300
Levy Excess Fund	-	18,858	-	18,858
Fire Protection Territory	117,321	151,239	232,331	36,229
Cumulative Capital Improv	32,645	7,673	15,000	25,318
Non Reverting Park Fund	19,983	10,589	3,942	26,630
Fire Territory Equipment Fund	1,111,914	244,416	109,260	1,247,070
Police Pension	62,771	37,385	24,697	75,459
City Court	2,791	11,367	11,749	2,409
Riverboat Tax	63,141	17,138	-	80,279
DNR Interp Site Grant	147	-	-	147
Court County Share	-	868	868	-
Housing Development	18,024	-	-	18,024
Flood Clean Up	1,003	-	-	1,003
Special Project	6,608	-	-	6,608
Sidewalk Curb Share Program	20,008	-	-	20,008
Historic Trail Grant	9,994	-	-	9,994
Main Street Non-Reverting	4,621	-	-	4,621
DARE Non Reverting	17	-	-	17
IN Door Rec	183	-	-	183
Park Wabash Heritage Fund	1,531	-	-	1,531
Railroad Cleanup	1,045	-	-	1,045
FAA Grant	6,273	3,125	3,125	6,273
FAA Grant AIP 10	155,489	80,856	234,113	2,232
HHH Water	(117,129)	-	696,285	(813,414)
HHH Waste	(200,699)	491,977	1,867,722	(1,576,444)
Floodgate Project	(12,173)	-	35,222	(47,395)
Levee Certification	(79,762)	-	-	(79,762)
Inter Urban Trail	(46,120)	39,837	19,750	(26,033)
Freedom Bridge	(85,423)	237,469	153,009	(963)
Safe Routes Planning	-	-	28,000	(28,000)
Safe Routes Construction	(8,250)	53,100	44,850	-
Stellar Planning Grant	-	10,000	35,136	(25,136)
Stellar Program Management	-	-	104,005	(104,005)
Airport Rotary Fund	11,284	49,585	24,382	36,487
Payroll	20,810	1,108,276	1,118,805	10,281
Sewage Operation	102,015	1,228,144	1,126,701	203,458
Sewage Sinking	13,135	156,024	159,940	9,219
Sewage Debt Service Reserve	159,940	-	-	159,940
Water Operating	740,555	1,127,059	1,359,157	508,457
Customer Deposit	51,930	6,575	6,600	51,905
Water Debt Reserve	167,636	-	-	167,636
Water Bond & Interest	157,565	157,617	157,565	157,617
Booster Station	9,212	1,993	-	11,205
Totals	<u>\$ 7,571,584</u>	<u>\$ 7,900,498</u>	<u>\$ 9,578,873</u>	<u>\$ 5,893,209</u>

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

CITY OF DELPHI
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, aviation, 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 state,

CITY OF DELPHI
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.

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.

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

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

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

CITY OF DELPHI
NOTES TO FINANCIAL STATEMENT
(Continued)

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 DELPHI
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.

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 DELPHI
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.

CITY OF DELPHI
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains nine funds with deficits balances totaling \$ 2,701,152.

Six of these funds are used to account for expenditures incurred related to Hoosier Heartland Water, Hoosier Heartland Wastewater, Freedom Bridge, Inter Urban Trail, Safe Routes/Planning, and the Stellar Planning Grant funds and will eventually be reimbursed by various federal grant programs. Reimbursement requests related to these programs as of December 31, 2012, were either not filed or being held by the grantor agency for additional information. Amounts to reimburse these funds are being received by the City during 2013.

The Stellar-Program Management fund is being used to separate the City's local match to the Stellar Grant. This fund will be reimbursed with a transfer from the General and EDIT funds.

Two funds, Floodgate Project and Levee Certification, were set up in 2011 when they began accumulating expenditures for a new "gate" to alleviate flooding on the west side of the City. The City hopes to get funding for the project through Indiana Office of Community and Rural Affairs but the last two attempts to secure the funding have failed. The City continues their efforts to secure funding. As of December 31, 2012, the deficit cash balance of these two funds totaled \$127,157.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 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 DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	MVH	Local Roads And Streets	Airport Donations	EDIT	Animal Control	Operation Pullover
Cash and investments - beginning	\$ 4,435,403	\$ 185,913	\$ 9,935	\$ 3,644	\$ 161,184	\$ 899	\$ 114
Receipts:							
Taxes	960,328	-	-	-	-	-	-
Licenses and permits	12,324	-	-	-	-	-	-
Intergovernmental	979,313	104,897	10,686	-	143,473	-	4,396
Charges for services	-	1,140	-	-	-	-	-
Fines and forfeits	3,013	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	206,620	770	-	90	1,316	-	-
Total receipts	<u>2,161,598</u>	<u>106,807</u>	<u>10,686</u>	<u>90</u>	<u>144,789</u>	<u>-</u>	<u>4,396</u>
Disbursements:							
Personal services	974,607	30,618	-	-	20,604	-	2,837
Supplies	98,434	22,785	-	-	1,174	-	-
Other services and charges	278,456	-	-	-	70,933	-	1,457
Capital outlay	174,541	55,000	1,788	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	98,866	-	-	-	23,508	-	132
Total disbursements	<u>1,624,904</u>	<u>108,403</u>	<u>1,788</u>	<u>-</u>	<u>116,219</u>	<u>-</u>	<u>4,426</u>
Excess (deficiency) of receipts over disbursements	<u>536,694</u>	<u>(1,596)</u>	<u>8,898</u>	<u>90</u>	<u>28,570</u>	<u>-</u>	<u>(30)</u>
Cash and investments - ending	<u>\$ 4,972,097</u>	<u>\$ 184,317</u>	<u>\$ 18,833</u>	<u>\$ 3,734</u>	<u>\$ 189,754</u>	<u>\$ 899</u>	<u>\$ 84</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Solid Waste	TLEO	Rainy Day Fund	Levy Excess Fund	Fire Protection Territory	Cumulative Capital Improv	Non Reverting Park Fund
Cash and investments - beginning	\$ 60,230	\$ 6,205	\$ 188,022	\$ -	\$ 117,321	\$ 32,645	\$ 19,983
Receipts:							
Taxes	-	-	-	-	134,718	-	-
Licenses and permits	-	1,490	-	-	-	-	-
Intergovernmental	-	-	-	-	15,336	7,673	-
Charges for services	122,347	1,182	-	-	516	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	22	248	95,673	18,858	669	-	10,589
Total receipts	<u>122,369</u>	<u>2,920</u>	<u>95,673</u>	<u>18,858</u>	<u>151,239</u>	<u>7,673</u>	<u>10,589</u>
Disbursements:							
Personal services	5,844	-	-	-	43,106	-	-
Supplies	5,412	-	-	-	13,934	-	-
Other services and charges	103,173	-	33,395	-	58,110	-	3,942
Capital outlay	-	-	-	-	117,181	15,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	3,095	-	-	-	-	-
Total disbursements	<u>114,429</u>	<u>3,095</u>	<u>33,395</u>	<u>-</u>	<u>232,331</u>	<u>15,000</u>	<u>3,942</u>
Excess (deficiency) of receipts over disbursements	<u>7,940</u>	<u>(175)</u>	<u>62,278</u>	<u>18,858</u>	<u>(81,092)</u>	<u>(7,327)</u>	<u>6,647</u>
Cash and investments - ending	<u>\$ 68,170</u>	<u>\$ 6,030</u>	<u>\$ 250,300</u>	<u>\$ 18,858</u>	<u>\$ 36,229</u>	<u>\$ 25,318</u>	<u>\$ 26,630</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Territory Equipment Fund	Police Pension	City Court	Riverboat Tax	DNR Interp Site Grant	Court County Share	Housing Development
Cash and investments - beginning	\$ 1,111,914	\$ 62,771	\$ 2,791	\$ 63,141	\$ 147	\$ -	\$ 18,024
Receipts:							
Taxes	45,969	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,233	-	-	17,138	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	11,367	-	-	868	-
Utility fees	-	-	-	-	-	-	-
Other receipts	193,214	37,385	-	-	-	-	-
Total receipts	<u>244,416</u>	<u>37,385</u>	<u>11,367</u>	<u>17,138</u>	<u>-</u>	<u>868</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	11,749	-	-	-	-
Capital outlay	109,260	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	24,697	-	-	-	868	-
Total disbursements	<u>109,260</u>	<u>24,697</u>	<u>11,749</u>	<u>-</u>	<u>-</u>	<u>868</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>135,156</u>	<u>12,688</u>	<u>(382)</u>	<u>17,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,247,070</u>	<u>\$ 75,459</u>	<u>\$ 2,409</u>	<u>\$ 80,279</u>	<u>\$ 147</u>	<u>\$ -</u>	<u>\$ 18,024</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Flood Clean Up	Special Project	Sidewalk Curb Share Program	Historic Trail Grant	Main Street Non-Reverting	DARE Non Reverting	IN Door Rec
Cash and investments - beginning	\$ 1,003	\$ 6,608	\$ 20,008	\$ 9,994	\$ 4,621	\$ 17	\$ 183
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 1,003</u>	<u>\$ 6,608</u>	<u>\$ 20,008</u>	<u>\$ 9,994</u>	<u>\$ 4,621</u>	<u>\$ 17</u>	<u>\$ 183</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Park Wabash Heritage Fund	Railroad Cleanup	FAA Grant	FAA Grant AIP 10	HHH Water	HHH Waste	Floodgate Project
Cash and investments - beginning	\$ 1,531	\$ 1,045	\$ 6,273	\$ 155,489	\$ (117,129)	\$ (200,699)	\$ (12,173)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	3,125	80,856	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	491,977	-
Total receipts	-	-	3,125	80,856	-	491,977	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	55,192	696,285	1,867,722	35,222
Capital outlay	-	-	-	178,921	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	3,125	-	-	-	-
Total disbursements	-	-	3,125	234,113	696,285	1,867,722	35,222
Excess (deficiency) of receipts over disbursements	-	-	-	(153,257)	(696,285)	(1,375,745)	(35,222)
Cash and investments - ending	\$ 1,531	\$ 1,045	\$ 6,273	\$ 2,232	\$ (813,414)	\$ (1,576,444)	\$ (47,395)

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Levee Certification	Inter Urban Trail	Freedom Bridge	Safe Routes Planning	Safe Routes Construction	Stellar Planning Grant
Cash and investments - beginning	\$ (79,762)	\$ (46,120)	\$ (85,423)	\$ -	\$ (8,250)	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	39,837	237,469	-	53,100	10,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>39,837</u>	<u>237,469</u>	<u>-</u>	<u>53,100</u>	<u>10,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	19,750	153,009	28,000	-	-
Capital outlay	-	-	-	-	44,850	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	35,136
Total disbursements	<u>-</u>	<u>19,750</u>	<u>153,009</u>	<u>28,000</u>	<u>44,850</u>	<u>35,136</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>20,087</u>	<u>84,460</u>	<u>(28,000)</u>	<u>8,250</u>	<u>(25,136)</u>
Cash and investments - ending	<u>\$ (79,762)</u>	<u>\$ (26,033)</u>	<u>\$ (963)</u>	<u>\$ (28,000)</u>	<u>\$ -</u>	<u>\$ (25,136)</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Stellar Program Management	Airport Rotary Fund	Payroll	Sewage Operation	Sewage Sinking	Sewage Debt Service Reserve
Cash and investments - beginning	\$ -	\$ 11,284	\$ 20,810	\$ 102,015	\$ 13,135	\$ 159,940
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	24,730	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	1,228,144	-	-
Other receipts	-	24,855	1,108,276	-	156,024	-
Total receipts	<u>-</u>	<u>49,585</u>	<u>1,108,276</u>	<u>1,228,144</u>	<u>156,024</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	24,382	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	21,905	-	-
Utility operating expenses	-	-	-	694,036	-	-
Other disbursements	104,005	-	1,118,805	410,760	159,940	-
Total disbursements	<u>104,005</u>	<u>24,382</u>	<u>1,118,805</u>	<u>1,126,701</u>	<u>159,940</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(104,005)</u>	<u>25,203</u>	<u>(10,529)</u>	<u>101,443</u>	<u>(3,916)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (104,005)</u>	<u>\$ 36,487</u>	<u>\$ 10,281</u>	<u>\$ 203,458</u>	<u>\$ 9,219</u>	<u>\$ 159,940</u>

CITY OF DELPHI
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Operating	Customer Deposit	Water Debt Reserve	Water Bond & Interest	Booster Station	Totals
Cash and investments - beginning	\$ 740,555	\$ 51,930	\$ 167,636	\$ 157,565	\$ 9,212	\$ 7,571,584
Receipts:						
Taxes	-	-	-	-	-	1,141,015
Licenses and permits	-	-	-	-	-	13,814
Intergovernmental	-	-	-	-	-	1,712,532
Charges for services	-	-	-	-	-	149,915
Fines and forfeits	-	-	-	-	-	15,248
Utility fees	1,127,059	-	-	-	1,993	2,357,196
Other receipts	-	6,575	-	157,617	-	2,510,778
Total receipts	<u>1,127,059</u>	<u>6,575</u>	<u>-</u>	<u>157,617</u>	<u>1,993</u>	<u>7,900,498</u>
Disbursements:						
Personal services	-	-	-	-	-	1,077,616
Supplies	-	-	-	-	-	166,121
Other services and charges	-	-	-	-	-	3,416,395
Capital outlay	189,682	-	-	-	-	908,128
Utility operating expenses	557,451	6,600	-	-	-	1,258,087
Other disbursements	612,024	-	-	157,565	-	2,752,526
Total disbursements	<u>1,359,157</u>	<u>6,600</u>	<u>-</u>	<u>157,565</u>	<u>-</u>	<u>9,578,873</u>
Excess (deficiency) of receipts over disbursements	<u>(232,098)</u>	<u>(25)</u>	<u>-</u>	<u>52</u>	<u>1,993</u>	<u>(1,678,375)</u>
Cash and investments - ending	<u>\$ 508,457</u>	<u>\$ 51,905</u>	<u>\$ 167,636</u>	<u>\$ 157,617</u>	<u>\$ 11,205</u>	<u>\$ 5,893,209</u>

CITY OF DELPHI
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 27,685	\$ -
Wastewater	29,330	25,818
Water	<u>78,273</u>	<u>31,914</u>
Totals	<u>\$ 135,288</u>	<u>\$ 57,732</u>

CITY OF DELPHI
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Dump Truck - Pickup Street Department	\$ 80,256	\$ 23,970
Notes and loans payable	Air Packs - Fire Territory 2012	<u>109,802</u>	<u>60,000</u>
Total governmental activities		<u>190,058</u>	<u>83,970</u>
Wastewater:			
Revenue bonds	Sewer line replacement upgrades to plant	290,000	157,064
Notes and loans payable	Pickup Truck - Wastewater 2012	<u>26,318</u>	<u>9,425</u>
Total Wastewater		<u>316,318</u>	<u>166,489</u>
Water:			
Revenue bonds	Water Improvement Plan	<u>2,413,000</u>	<u>157,618</u>
Totals		<u>\$ 2,919,376</u>	<u>\$ 408,077</u>

CITY OF DELPHI
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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	\$ 4,914,807
Infrastructure	2,144,522
Buildings	1,445,093
Machinery, equipment, and vehicles	701,817
Total governmental activities	9,206,239
Wastewater:	
Infrastructure	6,664,840
Machinery, equipment, and vehicles	55,000
Total Wastewater	6,719,840
Water:	
Infrastructure	1,596,441
Buildings	60,000
Machinery, equipment, and vehicles	72,657
Total Water	1,729,098
Total capital assets	\$ 17,655,177

CITY OF DELPHI
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2013, with Leanne Aldrich, Clerk-Treasurer, and Carolyn Pearson, President of the Common Council. Our examination disclosed no material items that warrant comment at this time.