

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF WARSAW

KOSCIUSKO COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
11/08/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lynne Christiansen	03-06-10 to 12-31-15
Mayor	Dr. Joseph Thallemer	01-01-12 to 12-31-15
President of the Common Council	Elaine Call Diane Quance	01-01-12 to 12-31-12 01-01-13 to 12-31-13
Utility Office Manager	Brian Davison	01-01-12 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF WARSAW, KOSCIUSKO COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Warsaw (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 Indiana 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, 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

October 16, 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 WARSAW  
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 FUND	\$ 7,063,362	\$ 10,108,719	\$ 10,850,910	\$ 6,321,171
MOTOR VEHICLE HIGHWAY FUND	554,212	351,340	281,229	624,323
LOCAL ROAD STREET FUND	151,124	117,882	120,000	149,006
AVIATION FUND	503,063	600,141	515,569	587,635
PARK OPERATIONAL NON REVERTING	26,375	11,253	8,399	29,229
LAW CONTINUING EDUCATION	28,250	18,720	489	46,481
UNSAFE BUILDING	4,040	-	-	4,040
PARK FUND	1,216,812	1,891,112	1,634,894	1,473,030
RAINY DAY FUND	1,319,510	556,366	-	1,875,876
ECONOMIC DEV INCOME TAX (EDIT)	375,978	864,932	333,342	907,568
FIRE TERRITORY OPERATING	1,090,327	3,456,548	3,131,732	1,415,143
AVIATION FUEL TRUST	35,411	2,625,542	2,627,492	33,461
CUMULATIVE CAPITAL DEV FUND	1,115,496	449,561	645,559	919,498
PARK CAPITAL OUTLAY NON-REVERT	35,458	12,795	-	48,253
REDEVELOPMENT DISTRICT GENERAL	189,744	66,474	65,835	190,383
CITY HALL 2011 CAPITAL FUND	1,022,581	-	1,022,581	-
CUM CAP IMP - CIG TAX	176,675	16,943	37,591	156,027
FIRE TERRITORY EQUIPMENT	1,007,744	587,743	95,328	1,500,159
SELF INSURANCE FUND	77,359	2,240,455	2,180,443	137,371
POLICE PENSION FUND	899,286	376,250	327,828	947,708
FIRE PENSION FUND	822,099	308,376	265,983	864,492
RIVERBOAT	58,675	167,495	51,200	174,970
TAX FUND	94	3,246	3,243	97
REDEVELOPMENT ALLOCATION	1,660,064	309,039	941,697	1,027,406
TIRB 12 WARSAW COMMONS CAPITAL	-	1,278,455	1,234,426	44,029
GRANT FUNDS	27,120	138,485	128,873	36,732
PETTY CASH/CASH CHANGE FUND	750	-	-	750
CEMETERY	376,078	532,008	472,397	435,689
DONATION	50,560	137,488	63,757	124,291
GENERAL BOND FUND	129,990	375,291	259,825	245,456
CITY HALL 2011 DEBT RESERVE	125,500	-	-	125,500
TIRB 12 WARSAW COMMONS RESERVE	-	124,453	-	124,453
GRANT LOCAL FIRE	-	4,000	-	4,000
REDEVEL NORTHERN TIF ALLOCATION	3,433,115	1,783,967	898,686	4,318,396
REDEVEL/TIF WINONA INTERURBAN	30,437	6,650	10,525	26,562
AVIATION DEPRECIATION	212,691	24,097	205	236,583
2011 BOND P & I	-	305,901	306,351	(450)
CEMETERY PERM & PERPETUAL	1,288,694	36,380	157,773	1,167,301
SELF INSURANCE/FIRE TERRITORY	445,220	266,695	481,217	230,698
EMPLOYEE BENEFIT TRUST	21,072	116,413	103,494	33,991
PAYROLL	172,182	8,399,175	8,542,328	29,029
WASTEWATER UTILITY OPERATING	5,322,907	6,809,080	9,148,398	2,983,589
WASTEWATER UTILITY DEPRECIATION	349,710	3,162,000	1,249,268	2,262,442
WASTEWATER 2011 CONSTRUCTION	4,653,000	911	4,443,699	210,212
WASTEWATER UTILITY CASH RESERVE	156,078	262,155	262,155	156,078
WASTEWATER WORKS REV BDS 2011	-	6,511	-	6,511
WASTEWATER BOND & INT 2003	8,628	1,057,473	1,057,040	9,061
WASTEWATER BD 2003 SINKING	1,061,190	-	-	1,061,190
WASTEWATER LEASE BD 01/2005	870,000	-	-	870,000
WASTEWATER BOND & INT 2008	1,043	120,259	120,210	1,092
WASTEWATER BD 2008 SINKING	82,068	13,675	-	95,743
WASTEWATER LEASE BD 2005/PYMT	151,550	867,000	867,000	151,550
Totals	<u>\$ 38,403,322</u>	<u>\$ 50,969,454</u>	<u>\$ 54,948,971</u>	<u>\$ 34,423,805</u>

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

CITY OF WARSAW  
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, wastewater, 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 Indiana 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. The basis of accounting involves the reporting of only cash investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

CITY OF WARSAW  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

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.

CITY OF WARSAW  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

CITY OF WARSAW  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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:

CITY OF WARSAW  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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. 1937 Firefighters' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

CITY OF WARSAW  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Plan Description*

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

## 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 WARSAW  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	GENERAL FUND	MOTOR VEHICLE HIGHWAY FUND	LOCAL ROAD STREET FUND	AVIATION FUND	PARK OPERATIONAL NON REVERTING	LAW CONTINUING EDUCATION	UNSAFE BUILDING
Cash and investments - beginning	\$ 7,063,362	\$ 554,212	\$ 151,124	\$ 503,063	\$ 26,375	\$ 28,250	\$ 4,040
Receipts:							
Taxes	4,236,984	-	-	132,372	-	-	-
Licenses and permits	37,242	-	-	-	-	-	-
Intergovernmental	3,226,319	351,340	117,882	8,191	-	-	-
Charges for services	110,637	-	-	459,578	11,253	-	-
Fines and forfeits	21,825	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>2,475,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,720</u>	<u>-</u>
Total receipts	<u>10,108,719</u>	<u>351,340</u>	<u>117,882</u>	<u>600,141</u>	<u>11,253</u>	<u>18,720</u>	<u>-</u>
Disbursements:							
Personal services	5,698,843	-	-	295,072	-	-	-
Supplies	600,352	94,220	20,000	31,518	4,366	489	-
Other services and charges	1,551,749	133,450	100,000	146,618	3,663	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	318,779	53,559	-	42,361	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>2,681,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>10,850,910</u>	<u>281,229</u>	<u>120,000</u>	<u>515,569</u>	<u>8,399</u>	<u>489</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(742,191)</u>	<u>70,111</u>	<u>(2,118)</u>	<u>84,572</u>	<u>2,854</u>	<u>18,231</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,321,171</u>	<u>\$ 624,323</u>	<u>\$ 149,006</u>	<u>\$ 587,635</u>	<u>\$ 29,229</u>	<u>\$ 46,481</u>	<u>\$ 4,040</u>

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

	PARK FUND	RAINY DAY FUND	ECONOMIC DEV INCOME TAX (EDIT)	FIRE TERRITORY OPERATING	AVIATION FUEL TRUST	CUMULATIVE CAPITAL DEV FUND	PARK CAPITAL OUTLAY NON-REVERT
Cash and investments - beginning	\$ 1,216,812	\$ 1,319,510	\$ 375,978	\$ 1,090,327	\$ 35,411	\$ 1,115,496	\$ 35,458
Receipts:							
Taxes	1,587,612	-	-	2,650,739	-	416,631	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	98,235	-	864,932	803,382	-	25,780	-
Charges for services	205,265	-	-	-	-	-	12,795
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	556,366	-	2,427	2,625,542	7,150	-
Total receipts	<u>1,891,112</u>	<u>556,366</u>	<u>864,932</u>	<u>3,456,548</u>	<u>2,625,542</u>	<u>449,561</u>	<u>12,795</u>
Disbursements:							
Personal services	1,074,991	-	-	2,226,182	-	-	-
Supplies	144,119	-	-	104,950	2,073,392	40,808	-
Other services and charges	365,935	-	-	342,890	164,100	488,434	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	49,703	-	333,342	329,710	-	116,317	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	146	-	-	128,000	390,000	-	-
Total disbursements	<u>1,634,894</u>	<u>-</u>	<u>333,342</u>	<u>3,131,732</u>	<u>2,627,492</u>	<u>645,559</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>256,218</u>	<u>556,366</u>	<u>531,590</u>	<u>324,816</u>	<u>(1,950)</u>	<u>(195,998)</u>	<u>12,795</u>
Cash and investments - ending	<u>\$ 1,473,030</u>	<u>\$ 1,875,876</u>	<u>\$ 907,568</u>	<u>\$ 1,415,143</u>	<u>\$ 33,461</u>	<u>\$ 919,498</u>	<u>\$ 48,253</u>

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

	REDEVELOPMENT DISTRICT GENERAL	CITY HALL 2011 CAPITAL FUND	CUM CAP IMP - CIG TAX	FIRE TERRITORY EQUIPMENT	SELF INSURANCE FUND	POLICE PENSION FUND	FIRE PENSION FUND
Cash and investments - beginning	\$ 189,744	\$ 1,022,581	\$ 176,675	\$ 1,007,744	\$ 77,359	\$ 899,286	\$ 822,099
Receipts:							
Taxes	60,246	-	-	426,991	-	367,587	302,338
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,728	-	-	32,752	-	3,570	2,992
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,500	-	16,943	128,000	2,240,455	5,093	3,046
Total receipts	<u>66,474</u>	<u>-</u>	<u>16,943</u>	<u>587,743</u>	<u>2,240,455</u>	<u>376,250</u>	<u>308,376</u>
Disbursements:							
Personal services	-	-	-	-	-	327,428	265,983
Supplies	-	-	-	-	-	-	-
Other services and charges	13,339	-	12,000	-	2,180,443	100	-
Debt service - principal and interest	24,443	-	-	-	-	-	-
Capital outlay	28,053	1,022,581	25,591	95,328	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	300	-
Total disbursements	<u>65,835</u>	<u>1,022,581</u>	<u>37,591</u>	<u>95,328</u>	<u>2,180,443</u>	<u>327,828</u>	<u>265,983</u>
Excess (deficiency) of receipts over disbursements	<u>639</u>	<u>(1,022,581)</u>	<u>(20,648)</u>	<u>492,415</u>	<u>60,012</u>	<u>48,422</u>	<u>42,393</u>
Cash and investments - ending	<u>\$ 190,383</u>	<u>\$ -</u>	<u>\$ 156,027</u>	<u>\$ 1,500,159</u>	<u>\$ 137,371</u>	<u>\$ 947,708</u>	<u>\$ 864,492</u>

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

	RIVERBOAT	TAX FUND	REDEVELOPMENT ALLOCATION	TIRB 12 WARSAW COMMONS CAPITAL	GRANT FUNDS	PETTY CASH/CASH CHANGE FUND	CEMETERY
Cash and investments - beginning	\$ 58,675	\$ 94	\$ 1,660,064	\$ -	\$ 27,120	\$ 750	\$ 376,078
Receipts:							
Taxes	-	-	309,039	-	-	-	392,872
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	167,495	-	-	-	138,485	-	24,310
Charges for services	-	-	-	-	-	-	114,826
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,246	-	1,278,455	-	-	-
Total receipts	<u>167,495</u>	<u>3,246</u>	<u>309,039</u>	<u>1,278,455</u>	<u>138,485</u>	<u>-</u>	<u>532,008</u>
Disbursements:							
Personal services	-	-	-	-	-	-	370,865
Supplies	-	-	-	-	-	-	35,395
Other services and charges	-	3,243	32,344	37	128,873	-	25,961
Debt service - principal and interest	51,200	-	-	-	-	-	-
Capital outlay	-	-	909,353	1,109,936	-	-	40,176
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	124,453	-	-	-
Total disbursements	<u>51,200</u>	<u>3,243</u>	<u>941,697</u>	<u>1,234,426</u>	<u>128,873</u>	<u>-</u>	<u>472,397</u>
Excess (deficiency) of receipts over disbursements	<u>116,295</u>	<u>3</u>	<u>(632,658)</u>	<u>44,029</u>	<u>9,612</u>	<u>-</u>	<u>59,611</u>
Cash and investments - ending	<u>\$ 174,970</u>	<u>\$ 97</u>	<u>\$ 1,027,406</u>	<u>\$ 44,029</u>	<u>\$ 36,732</u>	<u>\$ 750</u>	<u>\$ 435,689</u>

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

	DONATION	GENERAL BOND FUND	CITY HALL 2011 DEBT RESERVE	TIRB 12 WARSAW COMMONS RESERVE	GRANT LOCAL FIRE	REDEVEL NORTHERN TIF ALLOCATION	REDEVEL/TIF WINONA INTERURBAN
Cash and investments - beginning	\$ 50,560	\$ 129,990	\$ 125,500	\$ -	\$ -	\$ 3,433,115	\$ 30,437
Receipts:							
Taxes	-	237,590	-	-	-	1,783,967	6,650
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	14,701	-	-	4,000	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	137,488	123,000	-	124,453	-	-	-
Total receipts	137,488	375,291	-	124,453	4,000	1,783,967	6,650
Disbursements:							
Personal services	-	-	-	-	-	10,747	-
Supplies	-	-	-	-	-	-	-
Other services and charges	63,757	350	-	-	-	39,879	-
Debt service - principal and interest	-	259,475	-	-	-	-	-
Capital outlay	-	-	-	-	-	848,060	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	10,525
Total disbursements	63,757	259,825	-	-	-	898,686	10,525
Excess (deficiency) of receipts over disbursements	73,731	115,466	-	124,453	4,000	885,281	(3,875)
Cash and investments - ending	\$ 124,291	\$ 245,456	\$ 125,500	\$ 124,453	\$ 4,000	\$ 4,318,396	\$ 26,562

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

	AVIATION DEPRECIATION	2011 BOND P & I	CEMETERY PERM & PERPETUAL	SELF INSURANCE/FIRE TERRITORY	EMPLOYEE BENEFIT TRUST	PAYROLL
Cash and investments - beginning	\$ 212,691	\$ -	\$ 1,288,694	\$ 445,220	\$ 21,072	\$ 172,182
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	24,097	-	31,654	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	305,901	4,726	266,695	116,413	8,399,175
Total receipts	<u>24,097</u>	<u>305,901</u>	<u>36,380</u>	<u>266,695</u>	<u>116,413</u>	<u>8,399,175</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	950	6,050	481,217	103,494	2,889
Debt service - principal and interest	-	305,401	-	-	-	-
Capital outlay	205	-	151,723	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	8,539,439
Total disbursements	<u>205</u>	<u>306,351</u>	<u>157,773</u>	<u>481,217</u>	<u>103,494</u>	<u>8,542,328</u>
Excess (deficiency) of receipts over disbursements	<u>23,892</u>	<u>(450)</u>	<u>(121,393)</u>	<u>(214,522)</u>	<u>12,919</u>	<u>(143,153)</u>
Cash and investments - ending	<u>\$ 236,583</u>	<u>\$ (450)</u>	<u>\$ 1,167,301</u>	<u>\$ 230,698</u>	<u>\$ 33,991</u>	<u>\$ 29,029</u>

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

	WASTEWATER UTILITY OPERATING	WASTEWATER UTILITY DEPRECIATION	WASTEWATER 2011 CONSTRUCTION	WASTEWATER UTILITY CASH RESERVE	WASTEWATER WORKS REV BDS 2011	WASTEWATER BOND & INT 2003
Cash and investments - beginning	\$ 5,322,907	\$ 349,710	\$ 4,653,000	\$ 156,078	\$ -	\$ 8,628
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	333,342	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	5,602,406	-	-	-	-	-
Other receipts	<u>873,332</u>	<u>3,162,000</u>	<u>911</u>	<u>262,155</u>	<u>6,511</u>	<u>1,057,473</u>
Total receipts	<u>6,809,080</u>	<u>3,162,000</u>	<u>911</u>	<u>262,155</u>	<u>6,511</u>	<u>1,057,473</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,249,268	4,443,699	-	-	-
Utility operating expenses	3,309,514	-	-	-	-	-
Other disbursements	<u>5,838,884</u>	<u>-</u>	<u>-</u>	<u>262,155</u>	<u>-</u>	<u>1,057,040</u>
Total disbursements	<u>9,148,398</u>	<u>1,249,268</u>	<u>4,443,699</u>	<u>262,155</u>	<u>-</u>	<u>1,057,040</u>
Excess (deficiency) of receipts over disbursements	<u>(2,339,318)</u>	<u>1,912,732</u>	<u>(4,442,788)</u>	<u>-</u>	<u>6,511</u>	<u>433</u>
Cash and investments - ending	<u>\$ 2,983,589</u>	<u>\$ 2,262,442</u>	<u>\$ 210,212</u>	<u>\$ 156,078</u>	<u>\$ 6,511</u>	<u>\$ 9,061</u>

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

	WASTEWATER BD 2003 SINKING	WASTEWATER LEASE BD 01/2005	WASTEWATER BOND & INT 2008	WASTEWATER BD 2008 SINKING	WASTEWATER LEASE BD 2005/PYMT	Totals
Cash and investments - beginning	\$ 1,061,190	\$ 870,000	\$ 1,043	\$ 82,068	\$ 151,550	\$ 38,403,322
Receipts:						
Taxes	-	-	-	-	-	12,911,618
Licenses and permits	-	-	-	-	-	37,242
Intergovernmental	-	-	-	-	-	6,221,436
Charges for services	-	-	-	-	-	970,105
Fines and forfeits	-	-	-	-	-	21,825
Utility fees	-	-	-	-	-	5,602,406
Other receipts	-	-	120,259	13,675	867,000	25,204,822
Total receipts	-	-	120,259	13,675	867,000	50,969,454
Disbursements:						
Personal services	-	-	-	-	-	10,270,111
Supplies	-	-	-	-	-	3,149,609
Other services and charges	-	-	-	-	-	6,391,765
Debt service - principal and interest	-	-	-	-	-	640,519
Capital outlay	-	-	-	-	-	11,167,744
Utility operating expenses	-	-	-	-	-	3,309,514
Other disbursements	-	-	120,210	-	867,000	20,019,709
Total disbursements	-	-	120,210	-	867,000	54,948,971
Excess (deficiency) of receipts over disbursements	-	-	49	13,675	-	(3,979,517)
Cash and investments - ending	\$ 1,061,190	\$ 870,000	\$ 1,092	\$ 95,743	\$ 151,550	\$ 34,423,805

CITY OF WARSAW  
SCHEDULE OF PAYABLES  
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Wastewater	\$ 6,374
Governmental activities	<u>284,906</u>
Totals	<u>\$ 291,280</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lake City Bank	2005 Dump Trucks/Street Dept.	\$ 15,458	10-25-05	04-25-12
PNC Bank	2006 Dump Trucks/Street Dept.	<u>35,742</u>	10-15-06	04-15-13
Total governmental activities		<u>51,200</u>		
Wastewater:				
Lake City Bank	Combination Sewer Cleaner	<u>31,728</u>	07-06-07	04-15-12
Total of annual lease payments		<u>\$ 82,928</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	General Obligation Bond 2008	\$ 560,000	\$ 260,375
Revenue bonds	Special Taxing District Bonds 2011	1,175,000	195,420
Revenue bonds	Tax Increment Rev Bonds Series 2012	1,400,000	53,375
Revenue bonds	Taxable Economic Development Bonds 2000	1,255,000	228,000
Notes and loans payable	Brownsfield Clean-Up	-	-
Notes and loans payable	Brownsfield Clean-Up	<u>-</u>	<u>-</u>
Total governmental activities		<u>4,390,000</u>	<u>737,170</u>
Wastewater:			
Revenue bonds	Lease Rental Refunding Revenue Bonds Series 2005	7,580,000	858,975
Revenue bonds	Sewage Works Revenue Bonds 2008	2,710,000	426,839
Revenue bonds	Sewage Works Revenue Bond 2011	<u>4,530,000</u>	<u>307,575</u>
Total Wastewater		<u>14,820,000</u>	<u>1,593,389</u>
Totals		<u>\$ 19,210,000</u>	<u>\$ 2,330,559</u>

CITY OF WARSAW  
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	\$ 4,645,604
Infrastructure	51,591,171
Buildings	4,873,308
Improvements other than buildings	7,822,471
Machinery, equipment, and vehicles	13,380,568
Construction in progress	3,478,527
Total governmental activities	85,791,649
Wastewater:	
Land	239,706
Buildings	20,129,012
Improvements other than buildings	32,147,550
Machinery, equipment, and vehicles	2,068,959
Construction in progress	5,833,168
Total Wastewater	60,418,395
Total capital assets	\$ 146,210,044

CITY OF WARSAW  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2013, with Lynne Christiansen, Clerk-Treasurer, and Dr. Joseph Thallemer, Mayor. Our examination disclosed no material items that warrant comment at this time.