

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF RUSHVILLE

RUSH COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
12/12/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	6
Notes to Financial Statement.....	7-12
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-23
Schedule of Payables and Receivables	24
Schedule of Leases and Debt	25
Schedule of Capital Assets.....	26
Examination Results and Comments:	
Park Department Internal Controls	27
Animal Shelter Deficiency in Internal Controls	27
Exit Conference.....	28

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ann Copley	01-01-12 to 12-31-15
Mayor	Michael Pavey	01-01-12 to 12-31-15
President of the Board of Public Works	Michael Pavey	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Robert Bridges	01-01-13 to 12-31-14
Superintendent of Utilities	Les Day	01-01-13 to 12-31-14
Utility Office Manager	Gina Jenkins	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF RUSHVILLE, RUSH COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Rushville (City), for the year ended December 31, 2013. 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, 2013.

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, 2013, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 20, 2014

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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 RUSHVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 1,080,419	\$ 4,137,727	\$ 3,699,485	\$ 1,518,661
Motor Vehicle Highway	117,186	340,385	415,548	42,023
Local Roads & Street	29,940	19,861	26,959	22,842
Park & Rec Nonreverting	38,701	39,057	52,963	24,795
Abandon Vehicles	1,415	-	-	1,415
LECE	9,592	6,777	5,654	10,715
Unsafe Building	6,950	19,218	10,017	16,151
Rainy Day	285,673	400	21,003	265,070
K-9	5,951	4,207	1,238	8,920
TIF	329,957	323,507	197,290	456,174
Cum Cap Development	138,373	46,819	49,456	135,736
CEDIT	143,292	311,006	287,420	166,878
Cum Cap Improvement	16,879	17,051	16,800	17,130
Police Pension	328,576	194,642	189,498	333,720
Fire Pension	268,722	101,674	102,487	267,909
Child Restraint Grant	98	1,210	968	340
RFD Non- Reverting	10,468	44,098	43,622	10,944
DARE Non- Reverting	368	400	668	100
Asset Forfeiture	27,325	6,355	31,188	2,492
DCR2 Recording Software	7,741	2	7,743	-
Debt Service	59,052	76,391	98,038	37,405
Rushville Historic Fund	75	155	5	225
RBEK Grant	-	66,585	65,000	1,585
Legacy Grant	-	2,801	2,801	-
Senior Citizens Grant Project	-	67,025	67,025	-
Library Grant	-	29,700	29,700	-
Animal Shelter Non- Reverting Fund	-	10,000	-	10,000
NIP Matching Funds	-	1,661,878	38,440	1,623,438
Cash Change	75	-	-	75
Donations	19,959	33,780	34,267	19,472
Rcva Shelter Project	2,161	-	-	2,161
Build Indiana Community Center	192,097	212	4,042	188,267
OJP Vest Grant	1,013	345	-	1,358
Operation Pullover Grant	56	3,080	3,080	56
Tobacco Enforcement Grant	500	-	-	500
Electric Liquidation	2,047,895	486,697	2,050,388	484,204
Community Improvement Redevelopment	42,013	200,943	200,988	41,968
21St Century	51,196	75,372	49,840	76,728
Intat Storm Sewer	317	-	-	317
Idfa Ametiech	21,596	-	-	21,596
Brownfield Petro Grant Ss	19,669	-	-	19,669
Sanitation Non- reverting	1,464	14,712	2,797	13,379
Booker T Washington Non- reverting	27,143	17,831	30,452	14,522
Forfeiture	4,045	1,030	2,945	2,130
Federal Deposit	30	6	35	1
Fiber Optic Fund	116,797	5,960	21,089	101,668
Criminal Invest Fund Non- Reverting	4,244	5,478	7,497	2,225
Fire & Police Pension Trust	205,308	20,217	20,000	205,525
Payroll	72,048	2,452,436	2,449,296	75,188
Utility Payroll	2,123	480,930	479,657	3,396
Wastewater Utility Cash Drawer	63	-	-	63
Wastewater Utility Petty Cash	625	1,310	1,310	625
Debt Service Reserve BNY	-	247,749	-	247,749
Bond Cash Acct BNY	-	5,287,000	557,950	4,729,050
Wastewater Revenue	108,545	1,279,393	1,122,739	265,199
Wastewater Debt Service Reserve	230,789	16,960	247,749	-
Wastewater Depreciation	570,927	622,950	899,143	294,734
Wastewater Construction	21,744	1	21,101	644
Wastewater Sinking	27,983	239,734	235,728	31,989
Transit Operation	-	44,837	44,445	392
Water Operating	151,499	991,098	1,003,277	139,320
Water Debt Service Reserve	210,619	2,215	58,562	154,272
Water Depreciation	286,885	108,562	329,933	65,514
Water Meter Deposit	154,688	26,874	22,239	159,323
Water Construction	11,619	-	-	11,619
Water Sinking	21,077	230,106	230,353	20,830
Totals	\$ 7,535,565	\$ 20,426,749	\$ 15,591,918	\$ 12,370,396

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

CITY OF RUSHVILLE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting

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, 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 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 and 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 RUSHVILLE
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.

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.

CITY OF RUSHVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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 RUSHVILLE
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.

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 a cost-sharing 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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF RUSHVILLE
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 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 RUSHVILLE
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 Capitol 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.

Note 7. Other Postemployment Benefits

The City provides to eligible retirees and their spouses medical insurance benefits. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the City's Annual Report information for years 2011 and later 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 RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General	Motor Vehicle Highway	Local Roads & Street	Park & Rec Nonreverting	Abandon Vehicles	LECE	Unsafe Building
Cash and investments - beginning	\$ 1,080,419	\$ 117,186	\$ 29,940	\$ 38,701	\$ 1,415	\$ 9,592	\$ 6,950
Receipts:							
Taxes	2,825,868	75,561	-	-	-	-	-
Licenses and permits	29,617	750	-	-	-	2,910	150
Intergovernmental	1,120,597	260,002	19,820	-	-	-	-
Charges for services	34,148	3,270	-	32,566	-	1,963	19,056
Fines and forfeits	6,757	-	-	-	-	1,883	-
Utility fees	-	-	-	-	-	-	-
Other receipts	120,740	802	41	6,491	-	21	12
Total receipts	<u>4,137,727</u>	<u>340,385</u>	<u>19,861</u>	<u>39,057</u>	<u>-</u>	<u>6,777</u>	<u>19,218</u>
Disbursements:							
Personal services	2,755,764	292,221	-	4,079	-	-	-
Supplies	174,898	92,048	-	9,208	-	1,268	676
Other services and charges	728,233	31,279	26,959	39,676	-	4,386	9,341
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	40,590	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,699,485</u>	<u>415,548</u>	<u>26,959</u>	<u>52,963</u>	<u>-</u>	<u>5,654</u>	<u>10,017</u>
Excess (deficiency) of receipts over disbursements	<u>438,242</u>	<u>(75,163)</u>	<u>(7,098)</u>	<u>(13,906)</u>	<u>-</u>	<u>1,123</u>	<u>9,201</u>
Cash and investments - ending	<u>\$ 1,518,661</u>	<u>\$ 42,023</u>	<u>\$ 22,842</u>	<u>\$ 24,795</u>	<u>\$ 1,415</u>	<u>\$ 10,715</u>	<u>\$ 16,151</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Rainy Day	K-9	TIF	Cum Cap Development	CEDIT	Cum Cap Improvement	Police Pension
Cash and investments - beginning	\$ 285,673	\$ 5,951	\$ 329,957	\$ 138,373	\$ 143,292	\$ 16,879	\$ 328,576
Receipts:							
Taxes	-	-	322,919	42,362	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	4,274	310,763	17,022	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	400	4,207	588	183	243	29	194,642
Total receipts	<u>400</u>	<u>4,207</u>	<u>323,507</u>	<u>46,819</u>	<u>311,006</u>	<u>17,051</u>	<u>194,642</u>
Disbursements:							
Personal services	-	-	-	-	-	-	179,386
Supplies	2,228	1,238	-	-	-	-	12
Other services and charges	18,775	-	197,290	49,456	162,507	-	100
Debt service - principal and interest	-	-	-	-	58,663	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	66,250	16,800	10,000
Total disbursements	<u>21,003</u>	<u>1,238</u>	<u>197,290</u>	<u>49,456</u>	<u>287,420</u>	<u>16,800</u>	<u>189,498</u>
Excess (deficiency) of receipts over disbursements	<u>(20,603)</u>	<u>2,969</u>	<u>126,217</u>	<u>(2,637)</u>	<u>23,586</u>	<u>251</u>	<u>5,144</u>
Cash and investments - ending	<u>\$ 265,070</u>	<u>\$ 8,920</u>	<u>\$ 456,174</u>	<u>\$ 135,736</u>	<u>\$ 166,878</u>	<u>\$ 17,130</u>	<u>\$ 333,720</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Fire Pension	Child Restraint Grant	RFD Non- Reverting	DARE Non- Reverting	Asset Forfeiture	DCR2 Recording Software	Debt Service
Cash and investments - beginning	\$ 268,722	\$ 98	\$ 10,468	\$ 368	\$ 27,325	\$ 7,741	\$ 59,052
Receipts:							
Taxes	-	-	-	-	-	-	69,373
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	7,000
Charges for services	-	-	44,070	-	-	-	-
Fines and forfeits	-	-	-	-	6,335	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	101,674	1,210	28	400	20	2	18
Total receipts	<u>101,674</u>	<u>1,210</u>	<u>44,098</u>	<u>400</u>	<u>6,355</u>	<u>2</u>	<u>76,391</u>
Disbursements:							
Personal services	92,357	109	-	-	-	-	-
Supplies	30	859	-	-	4,448	7,743	-
Other services and charges	100	-	43,622	668	-	-	250
Debt service - principal and interest	-	-	-	-	-	-	97,788
Capital outlay	-	-	-	-	26,740	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,000	-	-	-	-	-	-
Total disbursements	<u>102,487</u>	<u>968</u>	<u>43,622</u>	<u>668</u>	<u>31,188</u>	<u>7,743</u>	<u>98,038</u>
Excess (deficiency) of receipts over disbursements	<u>(813)</u>	<u>242</u>	<u>476</u>	<u>(268)</u>	<u>(24,833)</u>	<u>(7,741)</u>	<u>(21,647)</u>
Cash and investments - ending	<u>\$ 267,909</u>	<u>\$ 340</u>	<u>\$ 10,944</u>	<u>\$ 100</u>	<u>\$ 2,492</u>	<u>\$ -</u>	<u>\$ 37,405</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Rushville Historic Fund	RBEG Grant	Legacy Grant	Senior Citizens Grant Project	Library Grant	Animal Shelter Non- Reverting Fund	NIP Matching Funds
Cash and investments - beginning	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	10,000	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>155</u>	<u>66,585</u>	<u>2,801</u>	<u>67,025</u>	<u>29,700</u>	<u>-</u>	<u>1,661,878</u>
Total receipts	<u>155</u>	<u>66,585</u>	<u>2,801</u>	<u>67,025</u>	<u>29,700</u>	<u>10,000</u>	<u>1,661,878</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	5	-	2,801	67,025	29,700	-	38,440
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>5</u>	<u>65,000</u>	<u>2,801</u>	<u>67,025</u>	<u>29,700</u>	<u>-</u>	<u>38,440</u>
Excess (deficiency) of receipts over disbursements	<u>150</u>	<u>1,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,623,438</u>
Cash and investments - ending	<u>\$ 225</u>	<u>\$ 1,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 1,623,438</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Cash Change	Donations	Rcva Shelter Project	Build Indiana Community Center	OJP Vest Grant	Operation Pullover Grant	Tobacco Enforcement Grant
Cash and investments - beginning	\$ 75	\$ 19,959	\$ 2,161	\$ 192,097	\$ 1,013	\$ 56	\$ 500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	33,780	-	212	345	3,080	-
Total receipts	-	33,780	-	212	345	3,080	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	34,267	-	-	-	-	-
Other services and charges	-	-	-	3,285	-	3,080	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	757	-	-	-
Total disbursements	-	34,267	-	4,042	-	3,080	-
Excess (deficiency) of receipts over disbursements	-	(487)	-	(3,830)	345	-	-
Cash and investments - ending	\$ 75	\$ 19,472	\$ 2,161	\$ 188,267	\$ 1,358	\$ 56	\$ 500

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Electric Liquidation	Community Improvement Redevelopment	21St Century	Intat Storm Sewer	Idfa Ametiech	Brownfield Petro Grant Ss	Sanitation Non- reverting
Cash and investments - beginning	\$ 2,047,895	\$ 42,013	\$ 51,196	\$ 317	\$ 21,596	\$ 19,669	\$ 1,464
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	14,703
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>486,697</u>	<u>200,943</u>	<u>75,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>
Total receipts	<u>486,697</u>	<u>200,943</u>	<u>75,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,712</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	200,988	3,379	-	-	-	2,797
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	34,090	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>2,050,388</u>	<u>-</u>	<u>12,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>2,050,388</u>	<u>200,988</u>	<u>49,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,797</u>
Excess (deficiency) of receipts over disbursements	<u>(1,563,691)</u>	<u>(45)</u>	<u>25,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,915</u>
Cash and investments - ending	<u>\$ 484,204</u>	<u>\$ 41,968</u>	<u>\$ 76,728</u>	<u>\$ 317</u>	<u>\$ 21,596</u>	<u>\$ 19,669</u>	<u>\$ 13,379</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Booker T Washington Non- reverting	Forfeiture	Federal Deposit	Fiber Optic Fund	Criminal Invest Fund Non- Reverting	Fire & Police Pension Trust	Payroll
Cash and investments - beginning	\$ 27,143	\$ 4,045	\$ 30	\$ 116,797	\$ 4,244	\$ 205,308	\$ 72,048
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	11,300	-	-	5,802	-	-	-
Fines and forfeits	-	1,025	-	-	5,472	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,531	5	6	158	6	20,217	2,452,436
Total receipts	<u>17,831</u>	<u>1,030</u>	<u>6</u>	<u>5,960</u>	<u>5,478</u>	<u>20,217</u>	<u>2,452,436</u>
Disbursements:							
Personal services	-	-	-	-	-	-	2,449,296
Supplies	24,248	2,945	35	-	-	-	-
Other services and charges	6,204	-	-	21,089	7,497	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	20,000	-
Total disbursements	<u>30,452</u>	<u>2,945</u>	<u>35</u>	<u>21,089</u>	<u>7,497</u>	<u>20,000</u>	<u>2,449,296</u>
Excess (deficiency) of receipts over disbursements	<u>(12,621)</u>	<u>(1,915)</u>	<u>(29)</u>	<u>(15,129)</u>	<u>(2,019)</u>	<u>217</u>	<u>3,140</u>
Cash and investments - ending	<u>\$ 14,522</u>	<u>\$ 2,130</u>	<u>\$ 1</u>	<u>\$ 101,668</u>	<u>\$ 2,225</u>	<u>\$ 205,525</u>	<u>\$ 75,188</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Utility Payroll	Wastewater Utility Cash Drawer	Wastewater Utility Petty Cash	Debt Service Reserve BNY	Bond Cash Acct BNY	Wastewater Revenue
Cash and investments - beginning	\$ 2,123	\$ 63	\$ 625	\$ -	\$ -	\$ 108,545
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	1,261,235
Other receipts	480,930	-	1,310	247,749	5,287,000	18,158
Total receipts	480,930	-	1,310	247,749	5,287,000	1,279,393
Disbursements:						
Personal services	479,657	-	-	-	-	279,451
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	82,631
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	1,310	-	-	455,488
Other disbursements	-	-	-	-	557,950	305,169
Total disbursements	479,657	-	1,310	-	557,950	1,122,739
Excess (deficiency) of receipts over disbursements	1,273	-	-	247,749	4,729,050	156,654
Cash and investments - ending	\$ 3,396	\$ 63	\$ 625	\$ 247,749	\$ 4,729,050	\$ 265,199

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Wastewater Debt Service Reserve	Wastewater Depreciation	Wastewater Construction	Wastewater Sinking	Transit Operation	Water Operating
Cash and investments - beginning	\$ 230,789	\$ 570,927	\$ 21,744	\$ 27,983	\$ -	\$ 151,499
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	44,837	986,601
Other receipts	16,960	622,950	1	239,734	-	4,497
Total receipts	<u>16,960</u>	<u>622,950</u>	<u>1</u>	<u>239,734</u>	<u>44,837</u>	<u>991,098</u>
Disbursements:						
Personal services	-	-	-	-	-	222,093
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	65,295
Debt service - principal and interest	247,749	-	-	235,728	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	548,685	21,101	-	446	283,297
Other disbursements	-	350,458	-	-	43,999	432,592
Total disbursements	<u>247,749</u>	<u>899,143</u>	<u>21,101</u>	<u>235,728</u>	<u>44,445</u>	<u>1,003,277</u>
Excess (deficiency) of receipts over disbursements	<u>(230,789)</u>	<u>(276,193)</u>	<u>(21,100)</u>	<u>4,006</u>	<u>392</u>	<u>(12,179)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 294,734</u>	<u>\$ 644</u>	<u>\$ 31,989</u>	<u>\$ 392</u>	<u>\$ 139,320</u>

CITY OF RUSHVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Water Debt Service Reserve	Water Depreciation	Water Meter Deposit	Water Construction	Water Sinking	Totals
Cash and investments - beginning	\$ 210,619	\$ 286,885	\$ 154,688	\$ 11,619	\$ 21,077	\$ 7,535,565
Receipts:						
Taxes	-	-	-	-	-	3,336,083
Licenses and permits	-	-	-	-	-	33,427
Intergovernmental	-	-	-	-	-	1,739,478
Charges for services	-	-	-	-	-	176,878
Fines and forfeits	-	-	-	-	-	21,472
Utility fees	-	-	26,874	-	-	2,319,547
Other receipts	2,215	108,562	-	-	230,106	12,799,864
Total receipts	2,215	108,562	26,874	-	230,106	20,426,749
Disbursements:						
Personal services	-	-	-	-	-	6,754,413
Supplies	-	-	-	-	-	356,151
Other services and charges	-	-	-	-	-	1,846,858
Debt service - principal and interest	-	-	-	-	230,353	870,281
Capital outlay	-	-	-	-	-	101,420
Utility operating expenses	-	329,933	-	-	-	1,640,260
Other disbursements	58,562	-	22,239	-	-	4,022,535
Total disbursements	58,562	329,933	22,239	-	230,353	15,591,918
Excess (deficiency) of receipts over disbursements	(56,347)	(221,371)	4,635	-	(247)	4,834,831
Cash and investments - ending	\$ 154,272	\$ 65,514	\$ 159,323	\$ 11,619	\$ 20,830	\$ 12,370,396

CITY OF RUSHVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 15,664	\$ 136,993
Water	10,345	89,741
Governmental activities	40,235	-
Totals	\$ 66,244	\$ 226,734

CITY OF RUSHVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Banc of America Leasing Capital LLC	Purchase refuse packer	\$ 23,441	10/20/2011	10/20/2015
Republic First National Corporation	Purchase ambulances	<u>37,032</u>	9/17/2013	9/15/2017
Total governmental activities		<u>60,473</u>		
Total of annual lease payments		<u>\$ 60,473</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Construction of new pool	\$ 160,000	\$ 56,375
General obligation bonds	Purchase Equipment	655,000	96,738
Notes and loans payable	Electric Liquidation Loan to NIP	<u>1,562,784</u>	<u>113,781</u>
Total governmental activities		<u>2,377,784</u>	<u>266,894</u>
Wastewater:			
Revenue bonds	Improvements and Additions	5,287,000	59,806
Revenue bonds	Repairs & Construction	515,000	184,796
Revenue bonds	Repairs & Construction	<u>891,600</u>	<u>50,098</u>
Total Wastewater		<u>6,693,600</u>	<u>294,700</u>
Water:			
Revenue bonds	Construction of Water Tower	905,000	187,381
Revenue bonds	Construction/Annexation	<u>719,000</u>	<u>41,536</u>
Total Water		<u>1,624,000</u>	<u>228,917</u>
Totals		<u>\$ 10,695,384</u>	<u>\$ 790,511</u>

CITY OF RUSHVILLE
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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	\$ 4,370,700
Infrastructure	11,844,455
Buildings	2,659,483
Improvements other than buildings	1,684,866
Machinery, equipment, and vehicles	2,385,610
Total governmental activities	22,945,114
Wastewater:	
Infrastructure	321,562
Buildings	3,277,876
Improvements other than buildings	11,959
Machinery, equipment, and vehicles	4,720,364
Construction in progress	732,883
Total Wastewater	9,064,644
Water:	
Land	1,886,500
Infrastructure	2,379,134
Buildings	1,437,500
Improvements other than buildings	35,328
Machinery, equipment, and vehicles	1,456,500
Construction in progress	256,950
Total Water	7,451,912
Total capital assets	\$ 39,461,670

CITY OF RUSHVILLE
EXAMINATION RESULTS AND COMMENTS

PARK DEPARTMENT INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. The Pool Manager did not keep sufficient records to determine if all receipts for the pool had been properly deposited into the City bank accounts. Receipt amounts could not be verified through alternative procedures.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANIMAL SHELTER DEFICIENCY IN INTERNAL CONTROL

The Director of the Animal Control did not have sufficient controls over receiving and recording receipts. Of the 31 remittances made during the year, a report of collections was only available for examination for 6. In addition, there were 26 receipts that were not presented for examination. All remittances are made to the Clerk-Treasurer. Of the 31 remittances, only 10 were made timely. There were also 13 remittances that could not be determined to be accurate due to no receipts being written for the money received.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

CITY OF RUSHVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2014, with Ann Copley, Clerk-Treasurer; Michael Pavey, Mayor; and Robert Bridges, President Pro Tempore of the Common Council.