

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

EXAMINATION REPORT
OF
CITY OF BUTLER
DEKALB COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
08/01/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Angela M. Eck	01-01-08 to 12-31-11
Mayor	Ronald L. Walter	06-16-09 to 12-31-11
Chairman of the Board of Public Works and Safety	Ronald L. Walter	01-01-10 to 12-31-11
President of the Common Council	Eric Johnson	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CITY OF BUTLER, DEKALB COUNTY, INDIANA

We have examined the financial statement of City of Butler (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

July 13, 2011

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FINANCIAL STATEMENT(S)

CITY OF BUTLER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 211,755	\$ 1,308,199	\$ 1,176,030	\$ 343,924
Skate Park	2,500	-	-	2,500
Motor Vehicle Highway	95,611	339,207	349,377	85,441
Local Road & Street	4,733	12,121	15,000	1,854
Law Enforcement Continuing Education	9,814	2,234	785	11,263
Clerk's Record Perpetuation	51,882	7,923	9,282	50,523
Unsafe Building Fund	26,237	179	-	26,416
Riverboat Fund	45,729	17,414	10,000	53,143
Park & Recreation	46,909	86,237	76,570	56,576
Fire Donation	12,175	11	-	12,186
Park & Recreation Donaiton Fund	110	5,325	5,385	50
Recycling Fund	105	-	105	-
Rainy Day Fund	148,982	37,691	-	186,673
Levy Excess Fund	-	2,802	-	2,802
Child Safety Seat Inspection	879	-	879	-
Safe Kids Dekalb County	535	-	-	535
User Fee	6,812	108,302	115,114	-
Police Donation	2,122	6,927	5,811	3,238
Fire Territory Operating Fund	-	30,827	-	30,827
Historic Preservation Grant	11,163	9	-	11,172
Operation Pullover	10	5,055	5,065	-
Fire: Cost Recovery	27,896	169	4,000	24,065
County Drugfree Grant Fund	36	2,875	2,911	-
Redevelopment Commission	39,054	261	1,271	38,044
Park Equipment Fund	64,085	10,383	13,995	60,473
South Side Park	5,127	-	-	5,127
Community Development Revolving Loan	59,902	163	-	60,065
Cumulative Capital Development	1,839	36,359	38,198	-
Cumulative Fire Equipment	424,824	26,521	287,629	163,716
CEDIT	51,994	107,006	94,571	64,429
Cumulative Capital Improvements	40,171	8,151	12,000	36,322
Thompson Block	172,616	114,729	25,166	262,179
Fire Station Building Fund	107,312	1,259,835	1,359,786	7,361
Storm Sewer Project	284,961	493,071	623,543	154,489
Police Pension	115,449	58,204	27,765	145,888
Payroll Deduction	4,490	30,662	30,860	4,292
Federal Withholding Tax	2	88,168	88,170	-
State Withholding Tax	3,878	33,924	37,802	-
County Withholding Tax	1,541	14,004	15,545	-
Cemetery Trust	2,935	3,955	-	6,890
FICA	(6)	115,268	115,262	-
Garnishment - Child Support	696	25,882	25,021	1,557
Street Sweeper Replacement Fund	1,230	1,230	-	2,460
City Court	22,030	657,291	653,904	25,417
Storm Water Mgt Operating	7,767	10,671	10	18,428
Garbage Collection	1,245	124,299	121,645	3,899
Wastewater Operating	150,141	1,723,789	1,694,831	179,099
Wastewater Bond and Interest	1,598	394,035	395,633	-
Wastewater Depreciation	1,414	24,088	-	25,502
Wastewater Consumer Deposit	5,450	6,250	4,250	7,450
Wastewater Capacity Fee	228,077	210,523	-	438,600
Wastewater Improvement	-	764	-	764
Wastewater Cash Reserve	40,000	132,400	-	172,400
Wastewater Debt Service Charge	7,753	171,303	171,300	7,756
SDI Replacement	142,118	12,934	39,350	115,702
Wastewater Debt Service Reserve	411,371	-	92,371	319,000
Water Operating	3,183	449,843	431,262	21,764
Water Bond & Interest	1,646	59,232	60,730	148
Water Depreciation	844	12,011	-	12,855
Water Consumer Deposit	15,205	6,250	6,200	15,255
Water Construction	209,790	31	209,821	-
Water Capacity Fee	30,622	92	18,796	11,918
Water Cash Reserve Fund	-	23,709	-	23,709
Water Debt Service Reserve	63,252	118	-	63,370
Totals	<u>\$ 3,431,601</u>	<u>\$ 8,420,916</u>	<u>\$ 8,473,001</u>	<u>\$ 3,379,516</u>

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

CITY OF BUTLER
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are 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 statements. The aggregate receipts may include, but are not limited to, 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 BUTLER
NOTES TO FINANCIAL STATEMENT(S)
(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 statements. The aggregate disbursements may include, but are not limited to, 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 BUTLER
NOTES TO FINANCIAL STATEMENT(S)
(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 BUTLER
NOTES TO FINANCIAL STATEMENT(S)
(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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

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 PERF 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.

PERF 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 BUTLER
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Note 7. Differences Between Regulatory Statements And City Annual Report

Immaterial differences exist between the Regulatory Statements and the 2010 City Annual Report. These differences are due to either audit adjustments or audited amounts for city departments which differ from unaudited amounts shown in the 2010 City Annual Report.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Butler's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Skate Park	Motor Vehicle Highway	Local Road & Street	Law Enforcement Continuing Education	Clerk's Record Perpetuation	Unsafe Building Fund
Cash and investments - beginning	\$ 211,755	\$ 2,500	\$ 95,611	\$ 4,733	\$ 9,814	\$ 51,882	\$ 26,237
Receipts:							
Taxes	758,652	-	255,494	-	-	-	-
Intergovernmental	358,558	-	77,983	12,121	-	-	-
Charges for services	73,182	-	2,080	-	1,000	-	-
Fines and forfeits	103,163	-	-	-	1,224	7,578	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	14,644	-	3,650	-	10	345	179
Total receipts	<u>1,308,199</u>	<u>-</u>	<u>339,207</u>	<u>12,121</u>	<u>2,234</u>	<u>7,923</u>	<u>179</u>
Disbursements:							
Personal services	680,055	-	131,620	-	-	-	-
Supplies	101,813	-	34,563	-	-	982	-
Other services and charges	282,869	-	49,147	-	785	2,300	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	89,937	-	134,047	15,000	-	6,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,356	-	-	-	-	-	-
Total disbursements	<u>1,176,030</u>	<u>-</u>	<u>349,377</u>	<u>15,000</u>	<u>785</u>	<u>9,282</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>132,169</u>	<u>-</u>	<u>(10,170)</u>	<u>(2,879)</u>	<u>1,449</u>	<u>(1,359)</u>	<u>179</u>
Cash and investments - ending	<u>\$ 343,924</u>	<u>\$ 2,500</u>	<u>\$ 85,441</u>	<u>\$ 1,854</u>	<u>\$ 11,263</u>	<u>\$ 50,523</u>	<u>\$ 26,416</u>

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Riverboat Fund	Park & Recreation	Fire Donation	Park & Recreation Donation Fund	Recycling Fund	Rainy Day Fund	Levy Excess Fund
Cash and investments - beginning	\$ 45,729	\$ 46,909	\$ 12,175	\$ 110	\$ 105	\$ 148,982	\$ -
Receipts:							
Taxes	-	83,550	-	-	-	-	2,802
Intergovernmental	17,053	2,325	-	-	-	36,321	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	361	362	11	5,325	-	1,370	-
Total receipts	<u>17,414</u>	<u>86,237</u>	<u>11</u>	<u>5,325</u>	<u>-</u>	<u>37,691</u>	<u>2,802</u>
Disbursements:							
Personal services	-	42,480	-	-	-	-	-
Supplies	-	6,115	-	-	-	-	-
Other services and charges	-	10,147	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	10,000	17,828	-	5,385	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	105	-	-
Total disbursements	<u>10,000</u>	<u>76,570</u>	<u>-</u>	<u>5,385</u>	<u>105</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,414</u>	<u>9,667</u>	<u>11</u>	<u>(60)</u>	<u>(105)</u>	<u>37,691</u>	<u>2,802</u>
Cash and investments - ending	<u>\$ 53,143</u>	<u>\$ 56,576</u>	<u>\$ 12,186</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 186,673</u>	<u>\$ 2,802</u>

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Child Safety Seat Inspection	Safe Kids DeKalb County	User Fee	Police Donation	Fire Territory Operating Fund	Historic Preservation Grant	Operation Pullover
Cash and investments - beginning	\$ 879	\$ 535	\$ 6,812	\$ 2,122	\$ -	\$ 11,163	\$ 10
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	5,055
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	65,917	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	42,385	6,927	30,827	9	-
Total receipts	-	-	108,302	6,927	30,827	9	5,055
Disbursements:							
Personal services	-	-	-	-	-	-	5,055
Supplies	110	-	-	-	-	-	-
Other services and charges	-	-	-	2,808	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,003	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	769	-	115,114	-	-	-	10
Total disbursements	879	-	115,114	5,811	-	-	5,065
Excess (deficiency) of receipts over disbursements	(879)	-	(6,812)	1,116	30,827	9	(10)
Cash and investments - ending	\$ -	\$ 535	\$ -	\$ 3,238	\$ 30,827	\$ 11,172	\$ -

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fire: Cost Recovery	County Drugfree Grant Fund	Redevelopment Commission	Park Equipment Fund	South Side Park	Community Development Revolving Loan	Cumulative Capital Development
Cash and investments - beginning	\$ 27,896	\$ 36	\$ 39,054	\$ 64,085	\$ 5,127	\$ 59,902	\$ 1,839
Receipts:							
Taxes	-	-	-	-	-	-	35,216
Intergovernmental	-	2,875	-	-	-	-	979
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	169	-	261	10,383	-	163	164
Total receipts	169	2,875	261	10,383	-	163	36,359
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	132	-	-	-	-
Other services and charges	-	-	1,139	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,000	2,911	-	13,995	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	38,198
Total disbursements	4,000	2,911	1,271	13,995	-	-	38,198
Excess (deficiency) of receipts over disbursements	(3,831)	(36)	(1,010)	(3,612)	-	163	(1,839)
Cash and investments - ending	\$ 24,065	\$ -	\$ 38,044	\$ 60,473	\$ 5,127	\$ 60,065	\$ -

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Fire Equipment	CEDIT	Cumulative Capital Improvements	Thompson Block	Fire Station Building Fund	Storm Sewer Project	Police Pension
Cash and investments - beginning	\$ 424,824	\$ 51,994	\$ 40,171	\$ 172,616	\$ 107,312	\$ 284,961	\$ 115,449
Receipts:							
Taxes	23,399	-	-	-	-	-	-
Intergovernmental	651	106,371	7,979	-	-	397,267	57,261
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,471	635	172	114,729	1,259,835	95,804	943
Total receipts	26,521	107,006	8,151	114,729	1,259,835	493,071	58,204
Disbursements:							
Personal services	-	-	-	-	-	-	26,695
Supplies	-	-	-	-	-	-	-
Other services and charges	-	7,122	-	-	407,069	630	1,070
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	287,629	19,949	12,000	23,364	952,717	613,347	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	67,500	-	1,802	-	9,566	-
Total disbursements	287,629	94,571	12,000	25,166	1,359,786	623,543	27,765
Excess (deficiency) of receipts over disbursements	(261,108)	12,435	(3,849)	89,563	(99,951)	(130,472)	30,439
Cash and investments - ending	\$ 163,716	\$ 64,429	\$ 36,322	\$ 262,179	\$ 7,361	\$ 154,489	\$ 145,888

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Payroll Deduction	Federal Withholding Tax	State Withholding Tax	County Withholding Tax	Cemetery Trust	FICA
Cash and investments - beginning	\$ 4,490	\$ 2	\$ 3,878	\$ 1,541	\$ 2,935	\$ (6)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	30,662	88,168	33,924	14,004	3,955	115,268
Total receipts	30,662	88,168	33,924	14,004	3,955	115,268
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	30,860	88,170	37,802	15,545	-	115,262
Total disbursements	30,860	88,170	37,802	15,545	-	115,262
Excess (deficiency) of receipts over disbursements	(198)	(2)	(3,878)	(1,541)	3,955	6
Cash and investments - ending	\$ 4,292	\$ -	\$ -	\$ -	\$ 6,890	\$ -

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Garnishment- Child Support	Street Sweeper Replacement Fund	City Court	Storm Water Mgt Operating	Garbage Collection	Wastewater Operating
Cash and investments - beginning	\$ 696	\$ 1,230	\$ 22,030	\$ 7,767	\$ 1,245	\$ 150,141
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	657,291	-	-	-
Utility fees	-	-	-	10,627	124,299	1,689,924
Penalties	-	-	-	-	-	19,399
Other receipts	25,882	1,230	-	44	-	14,466
Total receipts	<u>25,882</u>	<u>1,230</u>	<u>657,291</u>	<u>10,671</u>	<u>124,299</u>	<u>1,723,789</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	653,904	-	-	-
Debt service - principal and interest	-	-	-	-	-	183,216
Capital outlay	-	-	-	-	-	57,436
Utility operating expenses	-	-	-	-	121,331	894,075
Other disbursements	25,021	-	-	10	314	560,104
Total disbursements	<u>25,021</u>	<u>-</u>	<u>653,904</u>	<u>10</u>	<u>121,645</u>	<u>1,694,831</u>
Excess (deficiency) of receipts over disbursements	<u>861</u>	<u>1,230</u>	<u>3,387</u>	<u>10,661</u>	<u>2,654</u>	<u>28,958</u>
Cash and investments - ending	<u>\$ 1,557</u>	<u>\$ 2,460</u>	<u>\$ 25,417</u>	<u>\$ 18,428</u>	<u>\$ 3,899</u>	<u>\$ 179,099</u>

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wastewater Bond & Interest	Wastewater Depreciation	Wastewater Consumer Deposit	Wastewater Capacity Fee	Wastewater Improvement	Wastewater Cash Reserve
Cash and investments - beginning	\$ 1,598	\$ 1,414	\$ 5,450	\$ 228,077	\$ -	\$ 40,000
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	3,306	-	-
Penalties	-	-	-	-	-	-
Other receipts	394,035	24,088	6,250	207,217	764	132,400
Total receipts	<u>394,035</u>	<u>24,088</u>	<u>6,250</u>	<u>210,523</u>	<u>764</u>	<u>132,400</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	395,633	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	4,250	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>395,633</u>	<u>-</u>	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,598)</u>	<u>24,088</u>	<u>2,000</u>	<u>210,523</u>	<u>764</u>	<u>132,400</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 25,502</u>	<u>\$ 7,450</u>	<u>\$ 438,600</u>	<u>\$ 764</u>	<u>\$ 172,400</u>

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wastewater Debt Service Charge	SDI Replacement	Wastewater Debt Service Reserve	Water Operating	Water Bond & Interest	Water Depreciation
Cash and investments - beginning	\$ 7,753	\$ 142,118	\$ 411,371	\$ 3,183	\$ 1,646	\$ 844
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	437,738	-	-
Penalties	-	-	-	3,104	-	-
Other receipts	171,303	12,934	-	9,001	59,232	12,011
Total receipts	171,303	12,934	-	449,843	59,232	12,011
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	171,300	-	-	-	60,730	-
Capital outlay	-	11,212	-	-	-	-
Utility operating expenses	-	28,138	-	284,298	-	-
Other disbursements	-	-	92,371	146,964	-	-
Total disbursements	171,300	39,350	92,371	431,262	60,730	-
Excess (deficiency) of receipts over disbursements	3	(26,416)	(92,371)	18,581	(1,498)	12,011
Cash and investments - ending	\$ 7,756	\$ 115,702	\$ 319,000	\$ 21,764	\$ 148	\$ 12,855

CITY OF BUTLER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Consumer Deposit	Water Construction	Water Capacity Fee	Water Cash Reserve Fund	Water Debt Service Reserve	Totals
Cash and investments - beginning	\$ 15,205	\$ 209,790	\$ 30,622	\$ -	\$ 63,252	\$ 3,431,601
Receipts:						
Taxes	-	-	-	-	-	1,159,113
Intergovernmental	-	-	-	-	-	1,082,799
Charges for services	-	-	-	-	-	76,262
Fines and forfeits	-	-	-	-	-	835,173
Utility fees	-	-	-	-	-	2,265,894
Penalties	-	-	-	-	-	22,503
Other receipts	6,250	31	92	23,709	118	2,979,172
Total receipts	6,250	31	92	23,709	118	8,420,916
Disbursements:						
Personal services	-	-	-	-	-	885,905
Supplies	-	-	-	-	-	143,715
Other services and charges	-	-	-	-	-	1,418,990
Debt service - principal and interest	-	-	-	-	-	810,879
Capital outlay	-	209,821	-	-	-	2,489,581
Utility operating expenses	6,177	-	18,796	-	-	1,357,065
Other disbursements	23	-	-	-	-	1,366,866
Total disbursements	6,200	209,821	18,796	-	-	8,473,001
Excess (deficiency) of receipts over disbursements	50	(209,790)	(18,704)	23,709	118	(52,085)
Cash and investments - ending	\$ 15,255	\$ -	\$ 11,918	\$ 23,709	\$ 63,370	\$ 3,379,516

CITY OF BUTLER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets will not be done.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 397,535
Infrastructure	2,393,899
Buildings	2,426,432
Improvements other than buildings	623,846
Machinery and equipment	<u>1,925,787</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 7,767,499</u>
 Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 3,078
Buildings	396,280
Improvements other than buildings	2,217,111
Machinery and equipment	<u>239,647</u>
 Total Water Utility capital assets	 <u>2,856,116</u>
 Wastewater Utility:	
Capital assets:	
Land	15,390
Buildings	483,235
Improvements other than buildings	8,659,868
Machinery and equipment	<u>765,598</u>
 Total Wastewater Utility capital assets	 <u>9,924,091</u>
 Total business-type activities, capital assets	 <u>\$ 12,780,207</u>

CITY OF BUTLER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
2006 Waterworks improvements	\$ 695,000	\$ 59,491
Wastewater Utility:		
Revenue bonds:		
2009 Wastewater improvements	400,000	57,638
2010 Wastewater refunding	<u>2,565,000</u>	<u>321,560</u>
Total Wastewater Utility	<u>2,965,000</u>	<u>379,198</u>
Total business-type activities debt	<u>\$ 3,660,000</u>	<u>\$ 438,689</u>

CITY OF BUTLER
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2011, with Angela M. Eck, Clerk-Treasurer, and Ronald L. Walter, Mayor. Our examination disclosed no material items that warrant comment at this time.