

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

EXAMINATION REPORT
OF
CITY OF BLUFFTON
WELLS COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
08/16/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamara D. Runyon	01-01-08 to 12-31-11
Mayor	Ted L. Ellis	01-01-08 to 12-31-11
President of the Board of Public Works	Ted L. Ellis	01-01-08 to 12-31-11
President of the Common Council	James E. Phillabaum	01-01-10 to 12-31-11
Superintendent of the Water Utility	Edward C. Davis Mark K. Baller (Interim)	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of the Wastewater Utility	Mark K. Baller (Interim) Robin L. Merchant	01-01-10 to 04-11-10 04-12-10 to 12-31-11
Superintendent of the Electric Utility	Edward C. Davis Mark K. Baller (Interim)	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Utility Operations Manager	Mark K. Baller	01-01-10 to 12-31-11
Utility Office Manager	Roy D. Esmond	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 THE CITY OF BLUFFTON, WELLS COUNTY, INDIANA

We have examined the financial statement of the City of Bluffton (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. The basis noted above is a different basis than that used in the prior year.

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 and 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 26, 2011

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FINANCIAL STATEMENT(S)

CITY OF BLUFFTON
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	\$ 529,518	\$ 4,905,142	\$ 4,917,752	\$ 516,908
Motor Vehicle Highway	162,138	831,475	757,165	236,448
Local Road and Street	28,560	40,517	50,000	19,077
Park and Recreation	156,860	933,324	725,127	365,057
Law Enforcement Continuing Education	49,828	9,629	4,086	55,371
Clerk's Records Perpetuation	26,032	1,985	-	28,017
Unsafe Building	10,620	-	900	9,720
Law Enforcement User Fees	14,466	4,277	3,703	15,040
Grants	2,144	315,279	313,078	4,345
Rainy Day	414,191	392,061	-	806,252
K-9 Donations	1,122	1,510	1,571	1,061
Economic Development Income Tax	1,358,059	886,774	479,363	1,765,470
DARE	6,043	8,005	6,809	7,239
Levy Excess	-	8,694	-	8,694
Detect Grant	34,184	15,858	23,778	26,264
County Court Costs	62	29,314	29,314	62
LOIT - Public Safety	172,803	93,389	-	266,192
Animal Shelter Veterinarian Fee	14,576	7,885	7,303	15,158
Special Designated Projects	12,334	18,859	20,498	10,695
Park and Recreation Dance	2,617	1,936	1,164	3,389
Park and Recreation Sports	15,814	5,315	3,672	17,457
Park and Recreation Special Programs	14,599	6,255	6,423	14,431
Animal Care Donations	19,107	4,662	8,954	14,815
Roush Memorial Park	370	-	-	370
Veterans Memorial Park	1,478	-	-	1,478
Adams Street Redevelopment	46,278	237,155	168,002	115,431
Robert Covault Memorial	14,484	19,200	750	32,934
Police Training	1,605	-	-	1,605
Nonreverting Park and Recreation Land	37,952	37,950	37,975	37,927
Nonreverting Wells Community Pool	110,771	114,532	111,058	114,245
Bluffton/Wells County Communications Tower	40	1,399	1,399	40
Domestic Violence Abuse	510	-	236	274
Police Programs	6,567	4,130	5,244	5,453
Park Special Collections	508	692	1,100	100
EDC Miscellaneous Revenue	799,438	351,386	250,000	900,824
Cumulative Capital Improvement	248,934	28,570	5,195	272,309
Cumulative Capital Development	724,786	150,074	47,141	827,719
Park and Recreation Capital Improvements	17,321	8,470	-	25,791
General Improvement	103,245	16,091	30,844	88,492
Self-Insurance	1,644,824	2,111,690	1,808,149	1,948,365
Police Officers' Pension	105,063	252,092	241,674	115,481
Payroll	130,772	5,341,898	5,349,860	122,810
City Court	6,815	160,444	160,343	6,916
Electric Utility - Operating	4,244,110	22,745,485	22,391,027	4,598,568
Electric Utility - Depreciation	896,767	1,216,154	297,806	1,815,115
Electric Utility - Customer Deposits	307,728	56,343	43,619	320,452
Electric Utility - Insurance Reserve	192,340	48,000	-	240,340
Electric Utility - Cash Reserve	76,054	79,224	85,600	69,678
Electric Utility - Operating Investment	126,400	126,400	126,400	126,400
Wastewater Utility - Operating	165,800	2,904,101	2,856,518	213,383
Wastewater Utility - Bond and Interest	38,007	611,953	611,953	38,007
Wastewater Utility - Improvement	460,226	7,011	83,719	383,518
Wastewater Utility - Debt Reserve	637,532	637,532	637,532	637,532
Water Utility - Operating	89,505	1,452,162	1,485,756	55,911
Water Utility - Depreciation	6	-	-	6
Water Utility - North Oaks Escrow	30,879	-	-	30,879
Totals	\$ 14,312,792	\$ 47,242,283	\$ 44,199,560	\$ 17,355,515

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

CITY OF BLUFFTON
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 BLUFFTON
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 BLUFFTON
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 BLUFFTON
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:

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

CITY OF BLUFFTON
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

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

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 Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

PERF 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:

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

CITY OF BLUFFTON
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	General	Motor Vehicle Highway	Local Road and Street	Park and Recreation	Law Enforcement Continuing Education	Clerk's Records Perpetuation	Unsafe Building
Cash and investments - beginning	\$ 529,518	\$ 162,138	\$ 28,560	\$ 156,860	\$ 49,828	\$ 26,032	\$ 10,620
Receipts:							
Taxes	1,304,164	476,232	-	614,516	-	-	-
Licenses and permits	695	-	-	-	4,510	-	-
Intergovernmental	1,942,930	346,388	40,517	69,955	-	-	-
Charges for services	534,249	1,770	-	67,623	3,615	-	-
Fines and forfeits	31,278	-	-	-	1,504	1,985	-
Other receipts	1,091,826	7,085	-	181,230	-	-	-
Total receipts	<u>4,905,142</u>	<u>831,475</u>	<u>40,517</u>	<u>933,324</u>	<u>9,629</u>	<u>1,985</u>	<u>-</u>
Disbursements:							
Personal services	3,015,332	362,796	-	300,795	-	-	-
Supplies	135,685	216,706	-	61,674	-	-	-
Other services and charges	752,106	77,663	50,000	127,208	526	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	11,741	100,000	-	85,835	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,002,888	-	-	149,615	3,560	-	900
Total disbursements	<u>4,917,752</u>	<u>757,165</u>	<u>50,000</u>	<u>725,127</u>	<u>4,086</u>	<u>-</u>	<u>900</u>
Excess (deficiency) of receipts over disbursements	<u>(12,610)</u>	<u>74,310</u>	<u>(9,483)</u>	<u>208,197</u>	<u>5,543</u>	<u>1,985</u>	<u>(900)</u>
Cash and investments - ending	<u>\$ 516,908</u>	<u>\$ 236,448</u>	<u>\$ 19,077</u>	<u>\$ 365,057</u>	<u>\$ 55,371</u>	<u>\$ 28,017</u>	<u>\$ 9,720</u>

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

	Law Enforcement User Fees	Grants	Rainy Day	K-9 Donations	Economic Development Income Tax	DARE	Levy Excess
Cash and investments - beginning	\$ 14,466	\$ 2,144	\$ 414,191	\$ 1,122	\$ 1,358,059	\$ 6,043	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	302,397	392,061	-	466,044	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	4,277	-	-	-	-	-	-
Other receipts	-	12,882	-	1,510	420,730	8,005	8,694
Total receipts	4,277	315,279	392,061	1,510	886,774	8,005	8,694
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	46,604	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	182,759	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,703	313,078	-	1,571	250,000	6,809	-
Total disbursements	3,703	313,078	-	1,571	479,363	6,809	-
Excess (deficiency) of receipts over disbursements	574	2,201	392,061	(61)	407,411	1,196	8,694
Cash and investments - ending	\$ 15,040	\$ 4,345	\$ 806,252	\$ 1,061	\$ 1,765,470	\$ 7,239	\$ 8,694

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

	Detect Grant	County Court Costs	LOIT-Public Safety	Animal Shelter Veterinarian Fee	Special Designated Projects	Park and Recreation Dance	Park and Recreation Sports
Cash and investments - beginning	\$ 34,184	\$ 62	\$ 172,803	\$ 14,576	\$ 12,334	\$ 2,617	\$ 15,814
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,780	-	92,835	-	-	-	-
Charges for services	-	-	-	7,885	-	-	-
Fines and forfeits	-	29,314	-	-	-	-	-
Other receipts	2,078	-	554	-	18,859	1,936	5,315
Total receipts	<u>15,858</u>	<u>29,314</u>	<u>93,389</u>	<u>7,885</u>	<u>18,859</u>	<u>1,936</u>	<u>5,315</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	16,454	-	-	-	-	-	-
Other services and charges	4,320	-	-	7,303	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,004	29,314	-	-	20,498	1,164	3,672
Total disbursements	<u>23,778</u>	<u>29,314</u>	<u>-</u>	<u>7,303</u>	<u>20,498</u>	<u>1,164</u>	<u>3,672</u>
Excess (deficiency) of receipts over disbursements	<u>(7,920)</u>	<u>-</u>	<u>93,389</u>	<u>582</u>	<u>(1,639)</u>	<u>772</u>	<u>1,643</u>
Cash and investments - ending	<u>\$ 26,264</u>	<u>\$ 62</u>	<u>\$ 266,192</u>	<u>\$ 15,158</u>	<u>\$ 10,695</u>	<u>\$ 3,389</u>	<u>\$ 17,457</u>

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

	Park and Recreation Special Programs	Animal Care Donations	Roush Memorial Park	Veterans Memorial Park	Adams Street Redevelopment	Robert Covault Memorial
Cash and investments - beginning	\$ 14,599	\$ 19,107	\$ 370	\$ 1,478	\$ 46,278	\$ 14,484
Receipts:						
Taxes	-	-	-	-	237,118	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,255	4,662	-	-	37	19,200
Total receipts	6,255	4,662	-	-	237,155	19,200
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	8,954	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	6,423	-	-	-	168,002	750
Total disbursements	6,423	8,954	-	-	168,002	750
Excess (deficiency) of receipts over disbursements	(168)	(4,292)	-	-	69,153	18,450
Cash and investments - ending	\$ 14,431	\$ 14,815	\$ 370	\$ 1,478	\$ 115,431	\$ 32,934

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

	Police Training	Nonreverting Park and Recreation Land	Nonreverting Wells Community Pool	Bluffton/Wells County Communications Tower	Domestic Violence Abuse	Police Programs
Cash and investments - beginning	\$ 1,605	\$ 37,952	\$ 110,771	\$ 40	\$ 510	\$ 6,567
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	3,748	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	37,950	110,784	1,399	-	4,130
Total receipts	-	37,950	114,532	1,399	-	4,130
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	1,399	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	37,975	111,058	-	236	5,244
Total disbursements	-	37,975	111,058	1,399	236	5,244
Excess (deficiency) of receipts over disbursements	-	(25)	3,474	-	(236)	(1,114)
Cash and investments - ending	<u>\$ 1,605</u>	<u>\$ 37,927</u>	<u>\$ 114,245</u>	<u>\$ 40</u>	<u>\$ 274</u>	<u>\$ 5,453</u>

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

	Park Special Collections	EDC Miscellaneous Revenue	Cumulative Capital Improvement	Cumulative Capital Development	Park and Recreation Capital Improvements	General Improvement
Cash and investments - beginning	\$ 508	\$ 799,438	\$ 248,934	\$ 724,786	\$ 17,321	\$ 103,245
Receipts:						
Taxes	-	-	-	133,451	-	16,091
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	27,921	14,662	-	-
Charges for services	-	-	-	-	8,470	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	692	351,386	649	1,961	-	-
Total receipts	692	351,386	28,570	150,074	8,470	16,091
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	5,195	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	47,141	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,100	250,000	-	-	-	30,844
Total disbursements	1,100	250,000	5,195	47,141	-	30,844
Excess (deficiency) of receipts over disbursements	(408)	101,386	23,375	102,933	8,470	(14,753)
Cash and investments - ending	\$ 100	\$ 900,824	\$ 272,309	\$ 827,719	\$ 25,791	\$ 88,492

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

	Self-Insurance	Police Officers' Pension	Payroll	City Court	Electric Utility - Operating	Electric Utility - Depreciation
Cash and investments - beginning	\$ 1,644,824	\$ 105,063	\$ 130,772	\$ 6,815	\$ 4,244,110	\$ 896,767
Receipts:						
Taxes	-	9,352	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	242,336	-	-	-	-
Charges for services	1,568,010	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	543,680	404	5,341,898	160,444	22,745,485	1,216,154
Total receipts	<u>2,111,690</u>	<u>252,092</u>	<u>5,341,898</u>	<u>160,444</u>	<u>22,745,485</u>	<u>1,216,154</u>
Disbursements:						
Personal services	-	241,674	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	22,391,027	-
Other disbursements	1,808,149	-	5,349,860	160,343	-	297,806
Total disbursements	<u>1,808,149</u>	<u>241,674</u>	<u>5,349,860</u>	<u>160,343</u>	<u>22,391,027</u>	<u>297,806</u>
Excess (deficiency) of receipts over disbursements	<u>303,541</u>	<u>10,418</u>	<u>(7,962)</u>	<u>101</u>	<u>354,458</u>	<u>918,348</u>
Cash and investments - ending	<u>\$ 1,948,365</u>	<u>\$ 115,481</u>	<u>\$ 122,810</u>	<u>\$ 6,916</u>	<u>\$ 4,598,568</u>	<u>\$ 1,815,115</u>

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

	Electric Utility - Customer Deposits	Electric Utility - Insurance Reserve	Electric Utility - Cash Reserve	Electric Utility - Operating Investment	Wastewater Utility-Operating	Wastewater Utility - Bond and Interest
Cash and investments - beginning	\$ 307,728	\$ 192,340	\$ 76,054	\$ 126,400	\$ 165,800	\$ 38,007
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	56,343	48,000	79,224	126,400	2,904,101	611,953
Total receipts	<u>56,343</u>	<u>48,000</u>	<u>79,224</u>	<u>126,400</u>	<u>2,904,101</u>	<u>611,953</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	611,953
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	2,856,518	-
Other disbursements	43,619	-	85,600	126,400	-	-
Total disbursements	<u>43,619</u>	<u>-</u>	<u>85,600</u>	<u>126,400</u>	<u>2,856,518</u>	<u>611,953</u>
Excess (deficiency) of receipts over disbursements	<u>12,724</u>	<u>48,000</u>	<u>(6,376)</u>	<u>-</u>	<u>47,583</u>	<u>-</u>
Cash and investments - ending	<u>\$ 320,452</u>	<u>\$ 240,340</u>	<u>\$ 69,678</u>	<u>\$ 126,400</u>	<u>\$ 213,383</u>	<u>\$ 38,007</u>

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

	Wastewater Utility - Improvement	Wastewater Utility-Debt Reserve	Water Utility-Operating	Water Utility - Depreciation	Water Utility - North Oaks Escrow	Totals
Cash and investments - beginning	\$ 460,226	\$ 637,532	\$ 89,505	\$ 6	\$ 30,879	\$ 14,312,792
Receipts:						
Taxes	-	-	-	-	-	2,790,924
Licenses and permits	-	-	-	-	-	5,205
Intergovernmental	-	-	-	-	-	3,951,826
Charges for services	-	-	-	-	-	2,195,370
Fines and forfeits	-	-	-	-	-	68,358
Other receipts	7,011	637,532	1,452,162	-	-	38,230,600
Total receipts	<u>7,011</u>	<u>637,532</u>	<u>1,452,162</u>	<u>-</u>	<u>-</u>	<u>47,242,283</u>
Disbursements:						
Personal services	-	-	-	-	-	3,920,597
Supplies	-	-	-	-	-	430,519
Other services and charges	-	-	-	-	-	1,081,278
Debt service - principal and interest	-	-	94,500	-	-	706,453
Capital outlay	-	-	-	-	-	427,476
Utility operating expenses	-	-	1,391,256	-	-	26,638,801
Other disbursements	83,719	637,532	-	-	-	10,994,436
Total disbursements	<u>83,719</u>	<u>637,532</u>	<u>1,485,756</u>	<u>-</u>	<u>-</u>	<u>44,199,560</u>
Excess (deficiency) of receipts over disbursements	<u>(76,708)</u>	<u>-</u>	<u>(33,594)</u>	<u>-</u>	<u>-</u>	<u>3,042,723</u>
Cash and investments - ending	<u>\$ 383,518</u>	<u>\$ 637,532</u>	<u>\$ 55,911</u>	<u>\$ 6</u>	<u>\$ 30,879</u>	<u>\$ 17,355,515</u>

CITY OF BLUFFTON
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 (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,349,841
Infrastructure	2,475,785
Buildings	1,976,720
Improvements other than buildings	1,178,024
Machinery and equipment	3,323,329
Construction in progress	<u>642,417</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,946,116</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 218,616
Construction in progress	20,965
Capital assets, being depreciated:	
Buildings	365,692
Improvements other than buildings	6,733,449
Machinery and equipment	<u>448,481</u>
Total Water Utility capital assets	<u>7,787,203</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	573,560
Construction in progress	25,622
Capital assets, being depreciated:	
Buildings	413,239
Improvements other than buildings	9,669,594
Machinery and equipment	<u>3,776,750</u>
Total Wastewater Utility capital assets	<u>14,458,765</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	49,116
Capital assets, being depreciated:	
Buildings	1,485,510
Improvements other than buildings	11,234,433
Machinery and equipment	<u>4,635,736</u>
Total Electric Utility capital assets	<u>17,404,795</u>
Total business-type activities capital assets	<u>\$ 39,650,763</u>

CITY OF BLUFFTON
 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:		
Wastewater Utility:		
Revenue bonds:		
1995 Sewage works revenue bonds	\$ 2,135,000	\$ 294,709
1996 Sewage works revenue bonds	<u>585,000</u>	<u>14,991</u>
Total business-type activities long-term debt	<u>\$ 2,720,000</u>	<u>\$ 309,700</u>

CITY OF BLUFFTON
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2011, with Tamara D. Runyon, Clerk-Treasurer, and Ted L. Ellis, Mayor. Our examination disclosed no material items that warrant comment at this time.