

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

EXAMINATION REPORT  
OF  
CITY OF ROCHESTER  
FULTON COUNTY, INDIANA  
January 1, 2010 to December 31, 2010



**FILED**  
08/23/2011



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carla Smith  
Kathy Easterday

01-01-08 to 04-30-10  
05-01-10 to 12-31-11

President of the Town Council

Mark McCall

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 ROCHESTER, FULTON COUNTY, INDIANA

We have examined the financial statement of the City of Rochester (City), for the period of January 1, 2010 to December 31, 2010. The Town'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 Town 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 Common Council and the Board of Public Works and Safety, 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

May 12, 2011

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FINANCIAL STATEMENT(S)

CITY OF ROCHESTER  
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	\$ 942,134	\$ 2,931,281	\$ 2,414,776	\$ 1,458,639
Motor Vehicle Highway Fund	507,589	621,040	781,965	346,664
Local Road And Street	16,797	23,546	27,053	13,290
Park Operating Fund	392,304	370,877	578,214	184,967
Park Non-Reverting Operating Fund	1	13,288	13,255	34
Economic Development Commission Fun	453	-	-	453
In Hsng Fin Auth M96Sg180114 Hm70	2,891	10,000	12	12,879
Police Continuing Education Fund	12,570	3,860	9,900	6,530
Riverboat Wagering Tax Rev Sharing	160,827	40,183	10,199	190,811
Dea Asset Recovery Money	14,849	-	7,163	7,686
Minnow Creek Maintenance	51,439	-	-	51,439
In Housing Finance Authority #Hd-40	28,277	-	-	28,277
In Housing Finance Auth. M9294-Sg1	101,479	1,100	-	102,579
City Building Renovation Fund	2,070	-	-	2,070
Marijuana Eradication	1,250	-	-	1,250
Rainy Day Fund	669,391	112,296	-	781,687
Levy Excess Fund	-	7,189	-	7,189
Lcc Grant	814	2,000	2,000	814
Operation Pullover/Grant	5	4,876	4,293	588
City Court Cost Fund	109,077	5,700	-	114,777
Loit - Public Safety Fund	262,404	135,064	282,871	114,597
Minnow Creek Assessment Fund	113,066	12,893	21,227	104,732
Minnow Creek Debt Fund	164	6,926	7,018	72
Park Bond	3,581	-	-	3,581
City Building Debt Fund	10,864	52,292	53,423	9,733
Cumulative Capital Improvement Fund	164,839	18,824	9,518	174,145
Cumulative Capital Development Fund	243,264	134,414	128,650	249,028
Redevelopment Commission	27,156	-	-	27,156
Non-Reverting Park Capital Improvem	299,133	102,507	19,359	382,281
Old Police Pension	143,321	56,041	61,610	137,752
Old Fire Pension Fund	243,793	55,075	54,962	243,906
Payroll Fund	30,045	2,315,552	2,312,233	33,364
Electronic Transfer Clearing Fund	13,759	563,094	563,257	13,596
Accounts Payable Fund	-	12,087,884	12,087,884	-
Wastewater Utility-Operating	424,398	1,420,593	1,434,565	410,426
Wastewater - Depreciation Fund	1,171,514	364,683	248,918	1,287,279
Water Customer Deposit Fund	32,878	11,300	10,280	33,898
Wastewater - Bond & Interest	607,010	273,008	834,876	45,142
Ww Debt Service Reserve	-	78,500	-	78,500
Water Operating	142,310	1,337,356	1,260,737	218,929
Water Bond And Interest Fund	362,062	253,873	386,136	229,799
Water- Depreciation Fund	575,588	72,462	-	648,050
<b>Totals</b>	<b>\$ 7,885,366</b>	<b>\$ 23,499,577</b>	<b>\$ 23,626,354</b>	<b>\$ 7,758,589</b>

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

CITY OF ROCHESTER  
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 ROCHESTER  
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 ROCHESTER  
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 ROCHESTER  
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 ROCHESTER  
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.

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

CITY OF ROCHESTER  
NOTES TO FINANCIAL STATEMENT(S)  
(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 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

*Funding Policy*

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

The City also contributes to additional pension plan(s) unique to the City. Information regarding these plans may be obtained from the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Rochester's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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

	General Fund	Motor Vehicle Highway Fund	Local Road And Street	Park Operating Fund	Park Non-Reverting Operating Fund	Economic Development Commission Fun	In Hsng Fin Auth M96Sg180114 Hm70
Cash and investments - beginning	\$ 942,134	\$ 507,589	\$ 16,797	\$ 392,304	\$ 1	\$ 453	\$ 2,891
Receipts:							
Taxes	1,643,112	400,103	-	134,526	-	-	-
Licenses and permits	29,051	3,000	-	-	-	-	-
Intergovernmental	877,580	204,441	23,546	12,999	-	-	-
Charges for services	278,542	1,113	-	220,313	13,268	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	102,996	12,383	-	3,039	20	-	10,000
Total receipts	<u>2,931,281</u>	<u>621,040</u>	<u>23,546</u>	<u>370,877</u>	<u>13,288</u>	<u>-</u>	<u>10,000</u>
Disbursements:							
Personal services	1,657,588	285,219	-	270,815	1,089	-	-
Supplies	84,193	87,908	7,053	137,087	9,178	-	-
Other services and charges	647,506	326,323	20,000	110,148	2,988	-	12
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	22,456	80,515	-	51,472	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,033	2,000	-	8,692	-	-	-
Total disbursements	<u>2,414,776</u>	<u>781,965</u>	<u>27,053</u>	<u>578,214</u>	<u>13,255</u>	<u>-</u>	<u>12</u>
Excess (deficiency) of receipts over disbursements	<u>516,505</u>	<u>(160,925)</u>	<u>(3,507)</u>	<u>(207,337)</u>	<u>33</u>	<u>-</u>	<u>9,988</u>
Cash and investments - ending	<u>\$ 1,458,639</u>	<u>\$ 346,664</u>	<u>\$ 13,290</u>	<u>\$ 184,967</u>	<u>\$ 34</u>	<u>\$ 453</u>	<u>\$ 12,879</u>

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

	Police Continuing Education Fund	Riverboat Wagering Tax Rev Sharing	Dea Asset Recovery Money	Minnow Creek Maintenance	In Housing Finance Authority #Hd-40	In Housing Finance Auth. M9294-Sg1
Cash and investments - beginning	\$ 12,570	\$ 160,827	\$ 14,849	\$ 51,439	\$ 28,277	\$ 101,479
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	40,139	-	-	-	-
Charges for services	3,860	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	44	-	-	-	1,100
Total receipts	<u>3,860</u>	<u>40,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>
Disbursements:						
Personal services	-	779	-	-	-	-
Supplies	-	8,578	-	-	-	-
Other services and charges	9,900	842	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	7,163	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>9,900</u>	<u>10,199</u>	<u>7,163</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,040)</u>	<u>29,984</u>	<u>(7,163)</u>	<u>-</u>	<u>-</u>	<u>1,100</u>
Cash and investments - ending	<u>\$ 6,530</u>	<u>\$ 190,811</u>	<u>\$ 7,686</u>	<u>\$ 51,439</u>	<u>\$ 28,277</u>	<u>\$ 102,579</u>

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

	City Building Renovation Fund	Marijuana Eradication	Rainy Day Fund	Levy Excess Fund	Lcc Grant	Operation Pullover/Grant
Cash and investments - beginning	\$ 2,070	\$ 1,250	\$ 669,391	\$ -	\$ 814	\$ 5
Receipts:						
Taxes	-	-	-	7,189	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,000	4,876
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	112,296	-	-	-
Total receipts	-	-	112,296	7,189	2,000	4,876
Disbursements:						
Personal services	-	-	-	-	2,000	4,293
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	2,000	4,293
Excess (deficiency) of receipts over disbursements	-	-	112,296	7,189	-	583
Cash and investments - ending	<u>\$ 2,070</u>	<u>\$ 1,250</u>	<u>\$ 781,687</u>	<u>\$ 7,189</u>	<u>\$ 814</u>	<u>\$ 588</u>

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

	City Court Cost Fund	Loit - Public Safety Fund	Minnow Creek Assessment Fund	Minnow Creek Debt Fund	Park Bond	City Building Debt Fund
Cash and investments - beginning	\$ 109,077	\$ 262,404	\$ 113,066	\$ 164	\$ 3,581	\$ 10,864
Receipts:						
Taxes	-	-	-	6,316	-	47,684
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	135,014	-	610	-	4,608
Charges for services	-	-	-	-	-	-
Fines and forfeits	5,700	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	50	12,893	-	-	-
Total receipts	<u>5,700</u>	<u>135,064</u>	<u>12,893</u>	<u>6,926</u>	<u>-</u>	<u>52,292</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	15,436	-	-	750
Debt service - principal and interest	-	-	5,791	7,018	-	52,673
Capital outlay	-	282,871	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>282,871</u>	<u>21,227</u>	<u>7,018</u>	<u>-</u>	<u>53,423</u>
Excess (deficiency) of receipts over disbursements	<u>5,700</u>	<u>(147,807)</u>	<u>(8,334)</u>	<u>(92)</u>	<u>-</u>	<u>(1,131)</u>
Cash and investments - ending	<u>\$ 114,777</u>	<u>\$ 114,597</u>	<u>\$ 104,732</u>	<u>\$ 72</u>	<u>\$ 3,581</u>	<u>\$ 9,733</u>

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

	Cumulative Capital Improvement Fund	Cumulative Capital Development Fund	Redevelopment Commission	Non-Reverting Park Capital Improvem	Old Police Pension	Old Fire Pension Fund
Cash and investments - beginning	\$ 164,839	\$ 243,264	\$ 27,156	\$ 299,133	\$ 143,321	\$ 243,793
Receipts:						
Taxes	-	122,526	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,780	11,840	-	-	56,041	55,075
Charges for services	-	-	-	102,507	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	44	48	-	-	-	-
Total receipts	18,824	134,414	-	102,507	56,041	55,075
Disbursements:						
Personal services	-	-	-	-	61,435	54,862
Supplies	-	18,721	-	-	-	-
Other services and charges	-	-	-	-	175	100
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	9,518	109,929	-	16,797	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	2,562	-	-
Total disbursements	9,518	128,650	-	19,359	61,610	54,962
Excess (deficiency) of receipts over disbursements	9,306	5,764	-	83,148	(5,569)	113
Cash and investments - ending	\$ 174,145	\$ 249,028	\$ 27,156	\$ 382,281	\$ 137,752	\$ 243,906

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

	Payroll Fund	Electronic Transfer Clearing Fund	Accounts Payable Fund	Wastewater Utility-Operating	Wastewater - Depreciation Fund	Water Customer Deposit Fund
Cash and investments - beginning	\$ 30,045	\$ 13,759	\$ -	\$ 424,398	\$ 1,171,514	\$ 32,878
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	1,360,617	81,553	-
Other receipts	2,315,552	563,094	12,087,884	59,976	283,130	11,300
Total receipts	<u>2,315,552</u>	<u>563,094</u>	<u>12,087,884</u>	<u>1,420,593</u>	<u>364,683</u>	<u>11,300</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	1,161,944	-	-
Other disbursements	2,312,233	563,257	12,087,884	272,621	248,918	10,280
Total disbursements	<u>2,312,233</u>	<u>563,257</u>	<u>12,087,884</u>	<u>1,434,565</u>	<u>248,918</u>	<u>10,280</u>
Excess (deficiency) of receipts over disbursements	<u>3,319</u>	<u>(163)</u>	<u>-</u>	<u>(13,972)</u>	<u>115,765</u>	<u>1,020</u>
Cash and investments - ending	<u>\$ 33,364</u>	<u>\$ 13,596</u>	<u>\$ -</u>	<u>\$ 410,426</u>	<u>\$ 1,287,279</u>	<u>\$ 33,898</u>

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

	Wastewater - Bond & Interest	Ww Debt Service Reserve	Water Operating	Water Bond And Interest Fund	Water- Depreciation Fund	Totals
Cash and investments - beginning	\$ 607,010	\$ -	\$ 142,310	\$ 362,062	\$ 575,588	\$ 7,885,366
Receipts:						
Taxes	-	-	-	-	-	2,361,456
Licenses and permits	-	-	-	-	-	32,051
Intergovernmental	-	-	-	-	-	1,447,549
Charges for services	-	-	-	-	-	619,603
Fines and forfeits	-	-	-	-	-	5,700
Utility fees	-	-	1,197,280	-	-	2,639,450
Other receipts	273,008	78,500	140,076	253,873	72,462	16,393,768
Total receipts	273,008	78,500	1,337,356	253,873	72,462	23,499,577
Disbursements:						
Personal services	-	-	-	-	-	2,338,080
Supplies	-	-	-	-	-	352,718
Other services and charges	-	-	-	-	-	1,134,180
Debt service - principal and interest	356,137	-	-	-	-	421,619
Capital outlay	-	-	-	-	-	580,721
Utility operating expenses	10,000	-	935,237	-	-	2,107,181
Other disbursements	468,739	-	325,500	386,136	-	16,691,855
Total disbursements	834,876	-	1,260,737	386,136	-	23,626,354
Excess (deficiency) of receipts over disbursements	(561,868)	78,500	76,619	(132,263)	72,462	(126,777)
Cash and investments - ending	\$ 45,142	\$ 78,500	\$ 218,929	\$ 229,799	\$ 648,050	\$ 7,758,589

CITY OF ROCHESTER  
 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	\$ 338,265
Infrastructure	7,902,271
Buildings	3,576,935
Improvements other than buildings	1,520,899
Machinery and equipment	<u>4,273,830</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,612,200</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 53,769
Buildings	1,009,322
Improvements other than buildings	7,059,393
Machinery and equipment	<u>684,913</u>
Total Water Utility capital assets	<u>8,807,397</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	110,878
Buildings	1,678,625
Improvements other than buildings	5,558,338
Machinery and equipment	<u>35,539</u>
Total Wastewater Utility capital assets	<u>7,383,380</u>
Total business-type activities capital assets	<u>\$ 16,190,777</u>

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

The City and Utilities have entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Leases payable:		
Golf cart leases -2008	\$ 60,962	\$ 32,410
Notes and loans payable:		
Fire truck loan-2008	118,863	42,531
Bonds payable:		
General obligation bonds:		
City Hall	325,000	8,031
Assessment bonds:		
Minnow Creek Public Drain Improvement	<u>140,057</u>	<u>26,316</u>
Total governmental activities debt	<u>\$ 644,882</u>	<u>\$ 109,288</u>
Wastewater Utility:		
Revenue bonds:		
2010 Wastewater- Refunding Bonds	<u>785,000</u>	<u>251,941</u>
Total business-type activities debt	<u>\$ 785,000</u>	<u>\$ 251,941</u>

CITY OF ROCHESTER  
EXIT CONFERENCE

The contents of this report were discussed on May 12, 2011, with Mark Smiley, Mayor, and Kathy Easterday, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.