

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

EXAMINATION REPORT
OF
CITY OF BERNE
ADAMS COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
10/12/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Gwendolyn J. Maller	01-01-08 to 12-31-11
Mayor	John F. Minch	01-01-08 to 12-31-11
President of the Common Council	Gregg A. Sprunger	01-01-10 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF BERNE, ADAMS COUNTY, INDIANA

We have examined the financial statement of the City of Berne (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 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 its 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

September 7, 2011

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FINANCIAL STATEMENT

CITY OF BERNE
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	\$ 667,898	\$ 1,364,955	\$ 1,197,223	\$ 835,630
Motor Vehicle Highway	214,207	233,413	256,721	190,899
Local Road and Street	42,444	17,113	-	59,557
Donation	8,217	19,592	25,326	2,483
Animal Control	257	-	-	257
Police Continuing Education	10,000	2,799	4,569	8,230
Park Donations	-	3,578	175	3,403
Rainy Day	1,815	21,506	-	23,321
Police Education Donations	925	-	-	925
Economic Development Income Tax	87,996	110,303	87,961	110,338
Levy Excess	-	2,843	-	2,843
BRC Operating	1,957	114	-	2,071
Tree	240	-	-	240
Citizen Sewer Compliance	9,562	10,558	39	20,081
BRC Bond and Interest	210,273	244,135	123,625	330,783
BRC Reserve	123,655	373	-	124,028
Cumulative Capital Improvement	82,127	12,458	3,240	91,345
Cumulative Capital Development	310,846	55,182	39,846	326,182
Sidewalk Matching	12,987	18,777	30,038	1,726
Police Pension	79,618	27,367	18,087	88,898
Payroll Deduction	9,558	1,059,118	1,057,738	10,938
Storm Water Operating	106,440	568,249	542,397	132,292
Storm Water Bond and Interest	172,316	365,908	360,798	177,426
Storm Water Construction	71,491	154	2,629	69,016
Storm Water Reserve	371,462	692	-	372,154
Wastewater Operating	49,195	765,803	724,068	90,930
Wastewater Bond and Interest	25,113	197,963	197,664	25,412
Wastewater Depreciation	223,612	-	24,998	198,614
Wastewater Construction	164,974	-	350	164,624
Wastewater Reserve	6,192	-	-	6,192
Wastewater SRF Bond and Interest	12,187	136,571	136,828	11,930
Wastewater SRF Reserve	246,109	26,827	-	272,936
Wastewater SRF Construction	83,945	116	1,354	82,707
Water Operating	598,647	431,242	536,962	492,927
Water Bond and Interest	40,922	-	-	40,922
Water Depreciation	727,757	34,134	89,323	672,568
Totals	<u>\$ 4,774,944</u>	<u>\$ 5,731,843</u>	<u>\$ 5,461,959</u>	<u>\$ 5,044,828</u>

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

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statement presents 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 statement is 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 statement. 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.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT
(Continued)

License and permits which includes 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 license and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes, and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT
(Continued)

Personal services which includes 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 includes 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 includes, but is 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 includes fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, machinery, and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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.

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 were 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 statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, job related illnesses or injuries to employees, medical benefits to employees, retirees, and dependents, and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the 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% 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

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.

CITY OF BERNE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 IC 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

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's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF BERNE
 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	Donation	Animal Control	Police Continuing Education	Park Donations
Cash and investments - beginning	\$ 667,898	\$ 214,207	\$ 42,444	\$ 8,217	\$ 257	\$ 10,000	\$ -
Receipts:							
Taxes	776,343	112,230	-	-	-	-	-
Licenses and permits	9,626	-	-	-	-	-	-
Intergovernmental	292,769	118,814	16,931	-	-	-	-
Charges for services	217,623	930	-	-	-	2,155	-
Fines and forfeits	346	-	-	-	-	599	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	68,248	1,439	182	19,592	-	45	3,578
Total receipts	<u>1,364,955</u>	<u>233,413</u>	<u>17,113</u>	<u>19,592</u>	<u>-</u>	<u>2,799</u>	<u>3,578</u>
Disbursements:							
Personal services	762,350	128,230	-	-	-	-	-
Supplies	85,039	41,191	-	25,326	-	4,569	175
Other services and charges	337,022	87,300	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	11,379	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,433	-	-	-	-	-	-
Total disbursements	<u>1,197,223</u>	<u>256,721</u>	<u>-</u>	<u>25,326</u>	<u>-</u>	<u>4,569</u>	<u>175</u>
Excess (deficiency) of receipts over disbursements	<u>167,732</u>	<u>(23,308)</u>	<u>17,113</u>	<u>(5,734)</u>	<u>-</u>	<u>(1,770)</u>	<u>3,403</u>
Cash and investments - ending	<u>\$ 835,630</u>	<u>\$ 190,899</u>	<u>\$ 59,557</u>	<u>\$ 2,483</u>	<u>\$ 257</u>	<u>\$ 8,230</u>	<u>\$ 3,403</u>

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

	Rainy Day	Police Education Donations	Economic Development Income Tax	Levy Excess	BRC Operating	Tree
Cash and investments - beginning	\$ 1,815	\$ 925	\$ 87,996	\$ -	\$ 1,957	\$ 240
Receipts:						
Taxes	-	-	-	2,843	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	78,655	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	21,506	-	31,648	-	114	-
Total receipts	<u>21,506</u>	<u>-</u>	<u>110,303</u>	<u>2,843</u>	<u>114</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	72,961	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	15,000	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>87,961</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>21,506</u>	<u>-</u>	<u>22,342</u>	<u>2,843</u>	<u>114</u>	<u>-</u>
Cash and investments - ending	<u>\$ 23,321</u>	<u>\$ 925</u>	<u>\$ 110,338</u>	<u>\$ 2,843</u>	<u>\$ 2,071</u>	<u>\$ 240</u>

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

	Citizen Sewer Compliance	BRC Bond and Interest	BRC Reserve	Cumulative Capital Improvement	Cumulative Capital Development	Sidewalk Matching
Cash and investments - beginning	\$ 9,562	\$ 210,273	\$ 123,655	\$ 82,127	\$ 310,846	\$ 12,987
Receipts:						
Taxes	-	168,674	-	-	49,178	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	12,151	4,905	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	10,558	75,461	373	307	1,099	18,777
Total receipts	<u>10,558</u>	<u>244,135</u>	<u>373</u>	<u>12,458</u>	<u>55,182</u>	<u>18,777</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	39	-	-	-	-	-
Other services and charges	-	-	-	-	-	30,038
Debt service - principal and interest	-	123,625	-	-	-	-
Capital outlay	-	-	-	3,240	39,846	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>39</u>	<u>123,625</u>	<u>-</u>	<u>3,240</u>	<u>39,846</u>	<u>30,038</u>
Excess (deficiency) of receipts over disbursements	<u>10,519</u>	<u>120,510</u>	<u>373</u>	<u>9,218</u>	<u>15,336</u>	<u>(11,261)</u>
Cash and investments - ending	<u>\$ 20,081</u>	<u>\$ 330,783</u>	<u>\$ 124,028</u>	<u>\$ 91,345</u>	<u>\$ 326,182</u>	<u>\$ 1,726</u>

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

	Police Pension	Payroll Deduction	Storm Water Operating	Storm Water Bond and Interest	Storm Water Construction	Storm Water Reserve
Cash and investments - beginning	\$ 79,618	\$ 9,558	\$ 106,440	\$ 172,316	\$ 71,491	\$ 371,462
Receipts:						
Taxes	8,283	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,841	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	566,655	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	243	1,059,118	1,594	365,908	154	692
Total receipts	<u>27,367</u>	<u>1,059,118</u>	<u>568,249</u>	<u>365,908</u>	<u>154</u>	<u>692</u>
Disbursements:						
Personal services	18,087	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	16,500	360,798	-	-
Capital outlay	-	-	38,149	-	2,629	-
Utility operating expenses	-	-	121,968	-	-	-
Other disbursements	-	1,057,738	365,780	-	-	-
Total disbursements	<u>18,087</u>	<u>1,057,738</u>	<u>542,397</u>	<u>360,798</u>	<u>2,629</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>9,280</u>	<u>1,380</u>	<u>25,852</u>	<u>5,110</u>	<u>(2,475)</u>	<u>692</u>
Cash and investments - ending	<u>\$ 88,898</u>	<u>\$ 10,938</u>	<u>\$ 132,292</u>	<u>\$ 177,426</u>	<u>\$ 69,016</u>	<u>\$ 372,154</u>

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

	Wastewater Operating	Wastewater Bond and Interest	Wastewater Depreciation	Wastewater Construction	Wastewater Reserve	Wastewater SRF Bond and Interest
Cash and investments - beginning	\$ 49,195	\$ 25,113	\$ 223,612	\$ 164,974	\$ 6,192	\$ 12,187
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	752,138	-	-	-	-	-
Penalties	11,394	-	-	-	-	-
Other receipts	2,271	197,963	-	-	-	136,571
Total receipts	<u>765,803</u>	<u>197,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,571</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	197,664	-	-	-	136,828
Capital outlay	49,545	-	24,998	350	-	-
Utility operating expenses	313,559	-	-	-	-	-
Other disbursements	360,964	-	-	-	-	-
Total disbursements	<u>724,068</u>	<u>197,664</u>	<u>24,998</u>	<u>350</u>	<u>-</u>	<u>136,828</u>
Excess (deficiency) of receipts over disbursements	<u>41,735</u>	<u>299</u>	<u>(24,998)</u>	<u>(350)</u>	<u>-</u>	<u>(257)</u>
Cash and investments - ending	<u>\$ 90,930</u>	<u>\$ 25,412</u>	<u>\$ 198,614</u>	<u>\$ 164,624</u>	<u>\$ 6,192</u>	<u>\$ 11,930</u>

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

	Wastewater SRF Reserve	Wastewater SRF Construction	Water Operating	Water Bond and Interest	Water Depreciation	Totals
Cash and investments - beginning	\$ 246,109	\$ 83,945	\$ 598,647	\$ 40,922	\$ 727,757	\$ 4,774,944
Receipts:						
Taxes	-	-	-	-	-	1,117,551
Licenses and permits	-	-	-	-	-	9,626
Intergovernmental	-	-	-	-	-	543,066
Charges for services	-	-	-	-	-	220,708
Fines and forfeits	-	-	-	-	-	945
Utility fees	-	-	370,056	-	-	1,688,849
Penalties	-	-	1,824	-	-	13,218
Other receipts	26,827	116	59,362	-	34,134	2,137,880
Total receipts	26,827	116	431,242	-	34,134	5,731,843
Disbursements:						
Personal services	-	-	-	-	-	908,667
Supplies	-	-	-	-	-	156,339
Other services and charges	-	-	-	-	-	527,321
Debt service - principal and interest	-	-	-	-	-	835,415
Capital outlay	-	1,354	63,678	-	89,323	324,491
Utility operating expenses	-	-	418,247	-	-	853,774
Other disbursements	-	-	55,037	-	-	1,855,952
Total disbursements	-	1,354	536,962	-	89,323	5,461,959
Excess (deficiency) of receipts over disbursements	26,827	(1,238)	(105,720)	-	(55,189)	269,884
Cash and investments - ending	\$ 272,936	\$ 82,707	\$ 492,927	\$ 40,922	\$ 672,568	\$ 5,044,828

CITY OF BERNE
 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 year has been reported. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 232,180
Buildings	3,027,775
Improvements other than buildings	789,506
Machinery and equipment	<u>2,110,282</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 6,159,743</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 69,678
Construction in progress	157,215
Capital assets, being depreciated:	
Buildings	1,563,775
Improvements other than buildings	1,636,471
Machinery and equipment	262,135
Transportation equipment	<u>79,663</u>
Total Water Utility capital assets	<u>3,768,937</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	54,850
Capital assets, being depreciated:	
Buildings	2,711,764
Improvements other than buildings	5,547,665
Machinery and equipment	<u>473,359</u>
Total Wastewater Utility capital assets	<u>8,787,638</u>
Storm Water Utility:	
Capital assets, not being depreciated:	
Land	211,298
Capital assets, being depreciated:	
Improvements other than buildings	3,332,255
Machinery and equipment	<u>247,230</u>
Total Storm Water Utility capital assets	<u>3,790,783</u>
Total business-type activities capital assets	<u>\$ 16,347,358</u>

CITY OF BERNE
 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
Governmental activities:		
Capital leases:		
Police car lease	\$ 49,828	\$ 26,817
Loans payable:		
2007 EMS Police Building	142,815	55,028
Bonds payable:		
General obligation bonds:		
2006 TIF Bonds	<u>940,000</u>	<u>168,400</u>
Total governmental activities debt	<u>\$ 1,132,643</u>	<u>\$ 250,245</u>
Business-type activities:		
Wastewater Utility:		
Loans:		
SRF loan of 2008	\$ 2,399,000	\$ 138,277
Revenue bonds:		
Revenue bonds of 1997	<u>1,165,000</u>	<u>196,115</u>
Total Wastewater Utility	<u>3,564,000</u>	<u>334,392</u>
Storm Water Utility:		
Revenue bonds:		
Revenue bonds of 2006	<u>2,495,000</u>	<u>360,398</u>
Total business-type activities debt	<u>\$ 6,059,000</u>	<u>\$ 694,790</u>

CITY OF BERNE
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the City of Berne Municipal Utilities.

CITY OF BERNE
EXIT CONFERENCE

The contents of this report were discussed on September 7, 2011, with Gwendolyn J. Maller, Clerk-Treasurer, and John F. Minch, Mayor. Our examination disclosed no material items that warrant comment at this time.