

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF ROCHESTER

FULTON COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
05/22/2012



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carla Smith Kathy Easterday Shoda Beehler	01-01-10 to 04-30-10 05-01-10 to 12-31-11 01-01-12 to 12-31-15
Mayor	Mark Smiley	01-01-08 to 12-31-15
President of the Common Council	Mark McCall	01-01-11 to 12-31-12
Superintendent of Utilities	Warren Lease	01-01-11 to 12-31-12



**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, 2011 to December 31, 2011. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

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

This report is intended solely for the information and use of the City's management, Common Council, and others within the entity, 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

March 22, 2012

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF ROCHESTER  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 1,458,639	\$ 2,667,855	\$ 2,394,058	\$ 1,732,436
Motor Vehicle Highway	346,664	620,543	679,700	287,507
Local Road and Street	13,290	22,737	24,674	11,353
Park Non-Reverting Operating	34	17,095	16,691	438
Economic Development Commission	453	-	-	453
Drug Interdiction& Investigation	-	13,692	4,511	9,181
Indiana Housing and Finance Authority HM701-002	12,879	-	-	12,879
Indiana Housing and Finance Authority SG180-114	102,579	1,200	-	103,779
Indiana Housing and Finance Authority HD-401-013	28,277	-	-	28,277
Police Continuing Education	6,530	4,109	1,578	9,061
Park Operating	184,967	520,233	523,577	181,623
Rainy Day	781,687	-	-	781,687
DEA Asset Recovery	7,686	-	-	7,686
Levy Excess	7,189	-	-	7,189
Cumulative Capital Development	249,028	131,190	4,550	375,668
Non-Reverting Park Capital Improvement	382,281	102,393	124,895	359,779
Cumulative Capital Improvement	174,145	18,419	-	192,564
Old Police Pension	137,752	89,723	82,468	145,007
Old Fire Pension	243,906	56,276	55,945	244,237
City Court Costs	114,777	2	2,326	112,453
Riverboat Wagering Tax Revenue Sharing	190,811	40,139	4,823	226,127
LOIT Public Safety	114,597	209,628	25,387	298,838
Park Bond	3,581	-	-	3,581
City Building Debt	9,733	56,127	56,813	9,047
City Building Renovation	2,070	-	-	2,070
Redevelopment Commission	27,156	-	-	27,156
Minnow Creek Maintenance	51,439	-	-	51,439
Minnow Creek Debt	72	7,100	6,775	397
Minnow Creek Assessment	104,732	9,399	20,503	93,628
Marijuana Eradication	1,250	-	-	1,250
LCC Grant	814	-	760	54
Operation Pullover Grant	588	7,887	8,475	-
Payroll	33,364	2,185,427	2,186,976	31,815
Electronic Transfer Clearing	13,596	544,380	542,506	15,470
Accounts Payable	-	6,208,842	6,208,842	-
Cash Operating- WW	410,426	1,468,451	1,291,274	587,603
Depreciation- WW	1,287,279	369,489	571,426	1,085,342
Debt Service Reserve- WW	78,500	-	-	78,500
Sinking- WW	45,142	198,676	182,641	61,177
Operating- Water	448,728	1,414,653	1,142,470	720,911
Customer Deposit- Water	33,898	11,820	10,325	35,393
Depreciation- Water	648,050	75,459	89,429	634,080
Totals	<u>\$ 7,758,589</u>	<u>\$ 17,072,944</u>	<u>\$ 16,264,398</u>	<u>\$ 8,567,135</u>

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

CITY OF ROCHESTER  
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.

*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 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.

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

CITY OF ROCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

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

CITY OF ROCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

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

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

**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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

CITY OF ROCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF ROCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

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

**Note 7. Capital Leases**

The City is a party to three capital leases, one for a fire truck and two for golf carts. The balances on the fire truck and golf cart leases on December 31, 2011, were \$80,579, \$17,593, and \$13,641, respectively.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General Fund	Motor Vehicle Highway	Local Road and Street	Park Non-Reverting Operating	Economic Development Commission	Drug Interdiction & Investigation	Indiana Housing and Finance Authority HM 701-002
Cash and investments - beginning	\$ 1,458,639	\$ 346,664	\$ 13,290	\$ 34	\$ 453	\$ -	\$ 12,879
Receipts:							
Taxes	1,689,177	431,749	-	-	-	-	-
Licenses and permits	447	4,000	-	-	-	-	-
Intergovernmental	629,963	174,042	22,737	-	-	13,591	-
Charges for services	239,024	200	-	17,095	-	-	-
Fines and forfeits	57,100	-	-	-	-	-	-
Other receipts	52,144	10,552	-	-	-	101	-
Total receipts	<u>2,667,855</u>	<u>620,543</u>	<u>22,737</u>	<u>17,095</u>	<u>-</u>	<u>13,692</u>	<u>-</u>
Disbursements:							
Personal services	1,675,369	243,281	-	-	-	-	-
Supplies	83,866	105,011	6,590	3,021	-	-	-
Other services and charges	462,907	53,437	-	13,670	-	-	-
Debt service - principal and interest	42,531	-	-	-	-	-	-
Capital outlay	91,612	276,971	18,084	-	-	-	-
Other disbursements	37,773	1,000	-	-	-	4,511	-
Total disbursements	<u>2,394,058</u>	<u>679,700</u>	<u>24,674</u>	<u>16,691</u>	<u>-</u>	<u>4,511</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>273,797</u>	<u>(59,157)</u>	<u>(1,937)</u>	<u>404</u>	<u>-</u>	<u>9,181</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,732,436</u>	<u>\$ 287,507</u>	<u>\$ 11,353</u>	<u>\$ 438</u>	<u>\$ 453</u>	<u>\$ 9,181</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, 2011  
 (Continued)

	Indiana Housing and Finance Authority SG180-114	Indiana Housing and Finance Authority HD-401-013	Police Continuing Education	Park Operating	Rainy Day	DEA Asset Recovery
Cash and investments - beginning	\$ 102,579	\$ 28,277	\$ 6,530	\$ 184,967	\$ 781,687	\$ 7,686
Receipts:						
Taxes	-	-	-	300,187	-	-
Licenses and permits	-	-	2,090	-	-	-
Intergovernmental	-	-	-	3,781	-	-
Charges for services	-	-	1,648	203,133	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,200	-	371	13,132	-	-
Total receipts	1,200	-	4,109	520,233	-	-
Disbursements:						
Personal services	-	-	-	241,877	-	-
Supplies	-	-	-	143,639	-	-
Other services and charges	-	-	1,578	78,689	-	-
Debt service - principal and interest	-	-	-	32,410	-	-
Capital outlay	-	-	-	2,090	-	-
Other disbursements	-	-	-	24,872	-	-
Total disbursements	-	-	1,578	523,577	-	-
Excess (deficiency) of receipts over disbursements	1,200	-	2,531	(3,344)	-	-
Cash and investments - ending	\$ 103,779	\$ 28,277	\$ 9,061	\$ 181,623	\$ 781,687	\$ 7,686

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Levy Excess	Cumulative Capital Development	Non-Reverting Park Capital Improvement	Cumulative Capital Improvement	Old Police Pension	Old Fire Pension
Cash and investments - beginning	\$ 7,189	\$ 249,028	\$ 382,281	\$ 174,145	\$ 137,752	\$ 243,906
Receipts:						
Taxes	-	129,558	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,632	-	18,419	89,723	56,276
Charges for services	-	-	102,393	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	131,190	102,393	18,419	89,723	56,276
Disbursements:						
Personal services	-	-	-	-	82,468	55,870
Supplies	-	-	-	-	-	-
Other services and charges	-	4,550	-	-	-	75
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	124,851	-	-	-
Other disbursements	-	-	44	-	-	-
Total disbursements	-	4,550	124,895	-	82,468	55,945
Excess (deficiency) of receipts over disbursements	-	126,640	(22,502)	18,419	7,255	331
Cash and investments - ending	\$ 7,189	\$ 375,668	\$ 359,779	\$ 192,564	\$ 145,007	\$ 244,237

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	City Court Costs	Riverboat Wagering Tax Revenue Sharing	LOIT Public Safety	Park Bond	City Building Debt	City Building Renovation
Cash and investments - beginning	\$ 114,777	\$ 190,811	\$ 114,597	\$ 3,581	\$ 9,733	\$ 2,070
Receipts:						
Taxes	-	-	-	-	55,429	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	209,628	-	698	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	2	-	-	-	-	-
Other receipts	-	40,139	-	-	-	-
Total receipts	<u>2</u>	<u>40,139</u>	<u>209,628</u>	<u>-</u>	<u>56,127</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	2,834	-	-	-	-
Other services and charges	-	1,989	-	-	750	-
Debt service - principal and interest	-	-	-	-	56,063	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,326	-	25,387	-	-	-
Total disbursements	<u>2,326</u>	<u>4,823</u>	<u>25,387</u>	<u>-</u>	<u>56,813</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,324)</u>	<u>35,316</u>	<u>184,241</u>	<u>-</u>	<u>(686)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 112,453</u>	<u>\$ 226,127</u>	<u>\$ 298,838</u>	<u>\$ 3,581</u>	<u>\$ 9,047</u>	<u>\$ 2,070</u>

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Redevelopment Commission	Minnow Creek Maintenance	Minnow Creek Debt	Minnow Creek Assessment	Marijuana Eradication	LCC Grant
Cash and investments - beginning	\$ 27,156	\$ 51,439	\$ 72	\$ 104,732	\$ 1,250	\$ 814
Receipts:						
Taxes	-	-	7,012	9,399	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	88	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	7,100	9,399	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	963	-	760
Debt service - principal and interest	-	-	6,775	19,540	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	6,775	20,503	-	760
Excess (deficiency) of receipts over disbursements	-	-	325	(11,104)	-	(760)
Cash and investments - ending	\$ 27,156	\$ 51,439	\$ 397	\$ 93,628	\$ 1,250	\$ 54

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Operation Pullover	Payroll	Electronic Transfer Clearing	Accounts Payable	Cash Operating- WW	Depreciation- WW
Cash and investments - beginning	\$ 588	\$ 33,364	\$ 13,596	\$ -	\$ 410,426	\$ 1,287,279
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>7,887</u>	<u>2,185,427</u>	<u>544,380</u>	<u>6,208,842</u>	<u>1,468,451</u>	<u>369,489</u>
Total receipts	<u>7,887</u>	<u>2,185,427</u>	<u>544,380</u>	<u>6,208,842</u>	<u>1,468,451</u>	<u>369,489</u>
Disbursements:						
Personal services	-	-	409,758	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>8,475</u>	<u>2,186,976</u>	<u>132,748</u>	<u>6,208,842</u>	<u>1,291,274</u>	<u>571,426</u>
Total disbursements	<u>8,475</u>	<u>2,186,976</u>	<u>542,506</u>	<u>6,208,842</u>	<u>1,291,274</u>	<u>571,426</u>
Excess (deficiency) of receipts over disbursements	<u>(588)</u>	<u>(1,549)</u>	<u>1,874</u>	<u>-</u>	<u>177,177</u>	<u>(201,937)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 31,815</u>	<u>\$ 15,470</u>	<u>\$ -</u>	<u>\$ 587,603</u>	<u>\$ 1,085,342</u>

CITY OF ROCHESTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Debt Service Reserve- WW	Sinking- WW	Operating- Water	Customer Deposit- Water	Depreciation- Water	Totals
Cash and investments - beginning	\$ 78,500	\$ 45,142	\$ 448,728	\$ 33,898	\$ 648,050	\$ 7,758,589
Receipts:						
Taxes	-	-	-	-	-	2,622,511
Licenses and permits	-	-	-	-	-	6,537
Intergovernmental	-	-	-	-	-	1,220,578
Charges for services	-	-	-	-	-	563,493
Fines and forfeits	-	-	-	-	-	57,102
Other receipts	-	198,676	1,414,653	11,820	75,459	12,602,723
Total receipts	-	198,676	1,414,653	11,820	75,459	17,072,944
Disbursements:						
Personal services	-	-	-	-	-	2,708,623
Supplies	-	-	-	-	-	344,961
Other services and charges	-	-	-	-	-	619,368
Debt service - principal and interest	-	-	-	-	-	157,319
Capital outlay	-	-	-	-	-	513,608
Other disbursements	-	182,641	1,142,470	10,325	89,429	11,920,519
Total disbursements	-	182,641	1,142,470	10,325	89,429	16,264,398
Excess (deficiency) of receipts over disbursements	-	16,035	272,183	1,495	(13,970)	808,546
Cash and investments - ending	\$ 78,500	\$ 61,177	\$ 720,911	\$ 35,393	\$ 634,080	\$ 8,567,135

CITY OF ROCHESTER  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater Utility	\$ 19,371	\$ 143,793
Water Utility	<u>16,887</u>	<u>110,260</u>
Totals	<u>\$ 36,258</u>	<u>\$ 254,053</u>

CITY OF ROCHESTER  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
First Financial Community Bank	Fire Engine	\$ 42,531	12-22-08	12-31-13
John Deere	Mowers	<u>32,410</u>	06-01-08	11-30-12
Total governmental activities		<u>74,941</u>		
Total of annual lease payments		<u>\$ 74,941</u>		
Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
General obligation bonds	City Hall Renovations	\$ 285,000	\$ 47,061	
Notes and loans payable	Minnow Creek Assessment	<u>86,864</u>	<u>18,816</u>	
Total governmental activities		<u>371,864</u>	<u>437,741</u>	
Wastewater:				
Revenue bonds	Plant Improvements	<u>615,000</u>	<u>91,765</u>	
Totals		<u>\$ 986,864</u>	<u>\$ 157,642</u>	

CITY OF ROCHESTER  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 338,265
Buildings	2,330,044
Improvements other than buildings	1,434,752
Machinery, equipment and vehicles	4,446,071
Total governmental activities	8,549,132
Wastewater:	
Land	110,878
Buildings	3,648,126
Improvements other than buildings	8,914,840
Machinery, equipment and vehicles	2,488,933
Total Wastewater	15,162,777
Water:	
Land	53,269
Buildings	1,009,322
Improvements other than buildings	7,059,393
Machinery, equipment and vehicles	685,369
Total Water	8,807,353
Total capital assets	\$ 32,519,262

CITY OF ROCHESTER  
EXIT CONFERENCE

The contents of this report were discussed on March 22, 2012, with Mark Smiley, Mayor, and Carolyn Gray, Clerk-Treasurer's First Deputy. Our examination disclosed no material items that warrant comment at this time.