

B40580

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF MONTICELLO

WHITE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
07/18/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Elizabeth J. Oilar	01-01-08 to 12-31-15
Mayor	Jason A. Thompson Kenneth P. Houston	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Michael Keever Grace Oilar	01-01-10 to 12-31-11 01-01-12 to 12-31-12
President of the Common Council	James D. Mann Philip L. Vogel	01-01-10 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Water Utility	Rodney Pool	01-01-10 to 12-31-12
Superintendent of Wastewater Utility	Joseph Mowrer	01-01-10 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF MONTICELLO, WHITE COUNTY, INDIANA

We have examined the financial statement of the City of Monticello (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 present 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

June 6, 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 MONTICELLO
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	\$ 2,309,691	\$ 5,709,083	\$ 5,963,640	\$ 2,055,134
MOTOR VEHICLE HIGHWAY	473,768	399,635	270,054	603,349
LOCAL ROADS AND STREETS	14,973	21,550	9,941	26,582
PARK NON-REVERTING	69,055	39,792	40,565	68,282
ABANDONED VEHICLES	150	-	-	150
LAW ENFORCEMENT CONT ED	14,012	5,784	-	19,796
WILLIAM L. ALTHERR PARK	381,497	872	10,940	371,429
RAINY DAY FUND	299,232	561	-	299,793
POLICE K-9	7,221	50	-	7,271
COUNTY ECONOMIC DEVELOPMENT INCOME TAX	71,860	222,362	196,260	97,962
LEVY EXCESS	8,118	-	8,118	-
CUMULATIVE CAPITAL DEVELOPMENT	190,451	79,801	-	270,252
CUMULATIVE CAPITAL IMPROVEMENT	17,814	16,435	-	34,249
TAX INCREMENT FINANCING	1,181,162	711,208	175,448	1,716,922
INSURANCE CLAIM PAYMENTS	8,360	786,662	788,715	6,307
POLICE PENSION	383,710	128,325	126,737	385,298
FIRE PENSION	589,125	168,109	155,514	601,720
SIDEWALK AND CURB	67,350	48,849	31,565	84,634
PARKING LOT MAINTENANCE	37,084	30	4,000	33,114
NON REV - MAYOR'S YOUTH C	-	500	134	366
FIRE REPORTS	1,092	339	-	1,431
FIRE DEPT TRAINING	8,935	34,795	15,011	28,719
DUIP POLICE	181	-	-	181
OPERATION PULLOVER	704	4,225	4,350	579
PARK GIFT	757	3,127	-	3,884
FIRE GIFT	18,516	1,715	16,597	3,634
POLICE GIFT	6,800	100	606	6,294
DRUG NON-REVERTING	10,796	310	-	11,106
POLICE VENDING ACCOUNT	768	334	450	652
CREDIT REVENUE BONDS	11,683	-	11,683	-
EDIT BOND RESERVE 04 & 06	154,072	50,654	-	204,726
EDIT BOND PRINCIPAL & INTEREST 04	210	163,598	163,598	210
EDIT BOND RESERVE 06	31,900	-	31,900	-
EDIT BOND P&I 06	-	20,245	20,245	-
URBAN FORESTRY GRANT	1,438	-	-	1,438
TAX INCREMENT FINANCING BOND RESERVE	55,357	9,050	-	64,407
TAX INCREMENT FINANCING BOND PRINCIPAL & INTEREST	-	63,545	63,545	-
TOTAL MONIES ON DEPOSIT	-	368,188	118,188	250,000
MONTICELLO REDEVELOPMENT COMMISSION	1,048	1	-	1,049
MONTICELLO ECONOMIC DEVELOPMENT COMMISSION	5,312	-	-	5,312
PAYROLL	1,227	3,460,171	3,460,725	673
SEWAGE CASH OPERATING	175,126	2,017,293	1,834,186	358,233
SEWAGE CAP IMPROVEMENTS	159,041	-	-	159,041
SEWAGE ACCOUNTS PAYABLE	-	934,150	863,484	70,666
09 SEWER BOND CONSTRUCTION	1,439,643	4,402	1,000,845	443,200
SEWAGE EQUIPMENT REPLACEMENT	30,511	-	-	30,511
SEWAGE BOND PRINCIPAL & INTEREST 09	15,716	94,644	94,644	15,716
2006 SEWAGE WORKS REVENUE BOND	63,653	-	63,653	-
SEWAGE BOND PRINCIPAL & INTEREST 95	40,550	21,350	61,900	-
SEWAGE BOND PRINCIPAL & INTEREST 06	37,678	81,613	75,300	43,991
SEWAGE BOND PRINCIPAL & INTEREST 98	189,664	377,196	339,139	227,721
SEWAGE BOND RESERVE	502,936	19,608	-	522,544
WATER OPERATING	131,435	1,514,239	1,313,283	332,391
WATER RENT DEPOSITS	218,151	31,574	29,826	219,899
WATER IMPROVEMENT	210,055	4,239	-	214,294
09 WATER BOND CONSTRUCTION	550,492	488	550,975	5
2006 WATER WORKS REVENUE BOND	105,219	100,000	27,705	177,514
WATER BOND PRINCIPAL & INTEREST 09	-	42,425	42,425	-
WATER BOND PRINCIPAL & INTEREST 95	-	113,608	113,608	-
WATER BOND PRINCIPAL & INTEREST 06	-	28,005	28,005	-
WATER BOND PRINCIPAL & INTEREST 01	-	262,950	262,950	-
WATER BOND RESERVE	366,704	8,424	-	375,128
Totals	<u>\$ 10,672,003</u>	<u>\$ 18,176,213</u>	<u>\$ 18,390,457</u>	<u>\$ 10,457,759</u>

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

CITY OF MONTICELLO
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, 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 MONTICELLO
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, over-time 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.

Utility operating expenses which include all outflows for operating the utilities.

CITY OF MONTICELLO
NOTES TO FINANCIAL STATEMENT
(Continued)

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 MONTICELLO
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 statement 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

CITY OF MONTICELLO
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement 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 statement 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 MONTICELLO
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 statement 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.

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

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROADS AND STREETS	PARK NON-REVERTING	ABANDONED VEHICLES	LAW ENFORCEMENT CONT ED	WILLIAM L. ALTHERR PARK
Cash and investments - beginning	\$ 2,309,691	\$ 473,768	\$ 14,973	\$ 69,055	\$ 150	\$ 14,012	\$ 381,497
Receipts:							
Taxes	2,387,969	223,495	-	-	-	-	-
Licenses and permits	609	-	-	-	-	1,090	-
Intergovernmental	1,174,394	173,265	21,550	-	-	-	-
Charges for services	1,712,483	-	-	34,731	-	2,391	-
Fines and forfeits	810	-	-	-	-	2,303	-
Utility fees	-	-	-	-	-	-	-
Other receipts	432,818	2,875	-	5,061	-	-	872
Total receipts	<u>5,709,083</u>	<u>399,635</u>	<u>21,550</u>	<u>39,792</u>	<u>-</u>	<u>5,784</u>	<u>872</u>
Disbursements:							
Personal services	3,853,971	4,814	-	-	-	-	-
Supplies	259,454	62,277	9,941	29,880	-	-	-
Other services and charges	963,584	166,949	-	685	-	-	10,940
Debt service - principal and interest	84,673	-	-	-	-	-	-
Capital outlay	417,163	36,014	-	10,000	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	384,795	-	-	-	-	-	-
Total disbursements	<u>5,963,640</u>	<u>270,054</u>	<u>9,941</u>	<u>40,565</u>	<u>-</u>	<u>-</u>	<u>10,940</u>
Excess (deficiency) of receipts over disbursements	<u>(254,557)</u>	<u>129,581</u>	<u>11,609</u>	<u>(773)</u>	<u>-</u>	<u>5,784</u>	<u>(10,068)</u>
Cash and investments - ending	<u>\$ 2,055,134</u>	<u>\$ 603,349</u>	<u>\$ 26,582</u>	<u>\$ 68,282</u>	<u>\$ 150</u>	<u>\$ 19,796</u>	<u>\$ 371,429</u>

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

	RAINY DAY FUND	POLICE K-9	COUNTY ECONOMIC DEVELOPMENT INCOME TAX	LEVY EXCESS	CUMULATIVE CAPITAL DEVELOPMENT	CUMULATIVE CAPITAL IMPROVEMENT	TAX INCREMENT FINANCING
Cash and investments - beginning	\$ 299,232	\$ 7,221	\$ 71,860	\$ 8,118	\$ 190,451	\$ 17,814	\$ 1,181,162
Receipts:							
Taxes	-	-	-	-	71,950	-	612,658
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	222,362	-	7,851	16,435	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	561	50	-	-	-	-	98,550
Total receipts	561	50	222,362	-	79,801	16,435	711,208
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	5,685	-	-	-	102,970
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	190,575	8,118	-	-	72,478
Total disbursements	-	-	196,260	8,118	-	-	175,448
Excess (deficiency) of receipts over disbursements	561	50	26,102	(8,118)	79,801	16,435	535,760
Cash and investments - ending	\$ 299,793	\$ 7,271	\$ 97,962	\$ -	\$ 270,252	\$ 34,249	\$ 1,716,922

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

	INSURANCE CLAIM PAYMENTS	POLICE PENSION	FIRE PENSION	SIDEWALK AND CURB	PARKING LOT MAINTENANCE	NON REV - MAYOR'S YOUTH C	FIRE REPORTS
Cash and investments - beginning	\$ 8,360	\$ 383,710	\$ 589,125	\$ 67,350	\$ 37,084	\$ -	\$ 1,092
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	339
Fines and forfeits	-	-	-	-	30	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>786,662</u>	<u>128,325</u>	<u>168,109</u>	<u>48,849</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total receipts	<u>786,662</u>	<u>128,325</u>	<u>168,109</u>	<u>48,849</u>	<u>30</u>	<u>500</u>	<u>339</u>
Disbursements:							
Personal services	-	1,000	1,400	-	-	-	-
Supplies	-	-	57	-	-	-	-
Other services and charges	2,152	125,737	154,057	-	4,000	134	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	31,565	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>786,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>788,715</u>	<u>126,737</u>	<u>155,514</u>	<u>31,565</u>	<u>4,000</u>	<u>134</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,053)</u>	<u>1,588</u>	<u>12,595</u>	<u>17,284</u>	<u>(3,970)</u>	<u>366</u>	<u>339</u>
Cash and investments - ending	<u>\$ 6,307</u>	<u>\$ 385,298</u>	<u>\$ 601,720</u>	<u>\$ 84,634</u>	<u>\$ 33,114</u>	<u>\$ 366</u>	<u>\$ 1,431</u>

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

	FIRE DEPT TRAINING	DUIP POLICE	OPERATION PULLOVER	PARK GIFT	FIRE GIFT	POLICE GIFT	DRUG NON-REVERTING
Cash and investments - beginning	\$ 8,935	\$ 181	\$ 704	\$ 757	\$ 18,516	\$ 6,800	\$ 10,796
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	4,225	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	34,795	-	-	3,127	1,715	100	310
Total receipts	34,795	-	4,225	3,127	1,715	100	310
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	4,636	-	4,350	-	1,597	606	-
Debt service - principal and interest	-	-	-	-	15,000	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,375	-	-	-	-	-	-
Total disbursements	15,011	-	4,350	-	16,597	606	-
Excess (deficiency) of receipts over disbursements	19,784	-	(125)	3,127	(14,882)	(506)	310
Cash and investments - ending	\$ 28,719	\$ 181	\$ 579	\$ 3,884	\$ 3,634	\$ 6,294	\$ 11,106

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

	POLICE VENDING ACCOUNT	CEDIT REVENUE BONDS	EDIT BOND RESERVE 04 & 06	EDIT BOND PRINCIPAL & INTEREST 04	EDIT BOND RESERVE 06	EDIT BOND P&I 06	URBAN FORESTRY GRANT
Cash and investments - beginning	\$ 768	\$ 11,683	\$ 154,072	\$ 210	\$ 31,900	\$ -	\$ 1,438
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	334	-	50,654	163,598	-	20,245	-
Total receipts	334	-	50,654	163,598	-	20,245	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	450	-	-	-	-	300	-
Debt service - principal and interest	-	-	-	163,598	-	19,945	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	11,683	-	-	31,900	-	-
Total disbursements	450	11,683	-	163,598	31,900	20,245	-
Excess (deficiency) of receipts over disbursements	(116)	(11,683)	50,654	-	(31,900)	-	-
Cash and investments - ending	\$ 652	\$ -	\$ 204,726	\$ 210	\$ -	\$ -	\$ 1,438

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

	TAX INCREMENT FINANCING BOND RESERVE	TAX INCREMENT FINANCING BOND PRINCIPAL & INTEREST	TOTAL MONIES ON DEPOSIT	MONTICELLO REDEVELOPMENT COMMISSION	MONTICELLO ECONOMIC DEVELOPMENT COMMISSION	PAYROLL	SEWAGE CASH OPERATING
Cash and investments - beginning	\$ 55,357	\$ -	\$ -	\$ 1,048	\$ 5,312	\$ 1,227	\$ 175,126
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	1,870,153
Other receipts	9,050	63,545	368,188	1	-	3,460,171	147,140
Total receipts	9,050	63,545	368,188	1	-	3,460,171	2,017,293
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	350	-	-	-	-	-
Debt service - principal and interest	-	63,195	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	369,279
Other disbursements	-	-	118,188	-	-	3,460,725	1,464,907
Total disbursements	-	63,545	118,188	-	-	3,460,725	1,834,186
Excess (deficiency) of receipts over disbursements	9,050	-	250,000	1	-	(554)	183,107
Cash and investments - ending	\$ 64,407	\$ -	\$ 250,000	\$ 1,049	\$ 5,312	\$ 673	\$ 358,233

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

	SEWAGE CAP IMPROVEMENTS	SEWAGE ACCOUNTS PAYABLE	09 SEWER BOND CONSTRUCTION	SEWAGE EQUIPMENT REPLACEMENT	SEWAGE BOND PRINCIPAL & INTEREST 09	2006 SEWAGE WORKS REVENUE BOND	SEWAGE BOND PRINCIPAL & INTEREST 95
Cash and investments - beginning	\$ 159,041	\$ -	\$ 1,439,643	\$ 30,511	\$ 15,716	\$ 63,653	\$ 40,550
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	934,150	4,402	-	94,644	-	21,350
Total receipts	-	934,150	4,402	-	94,644	-	21,350
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	94,294	-	61,650
Capital outlay	-	61,257	1,000,198	-	-	-	-
Utility operating expenses	-	802,227	647	-	350	-	250
Other disbursements	-	-	-	-	-	63,653	-
Total disbursements	-	863,484	1,000,845	-	94,644	63,653	61,900
Excess (deficiency) of receipts over disbursements	-	70,666	(996,443)	-	-	(63,653)	(40,550)
Cash and investments - ending	\$ 159,041	\$ 70,666	\$ 443,200	\$ 30,511	\$ 15,716	\$ -	\$ -

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

	SEWAGE BOND PRINCIPAL & INTEREST 06	SEWAGE BOND PRINCIPAL & INTEREST 98	SEWAGE BOND RESERVE	WATER OPERATING	WATER RENT DEPOSITS	WATER IMPROVEMENT	09 WATER BOND CONSTRUCTION
Cash and investments - beginning	\$ 37,678	\$ 189,664	\$ 502,936	\$ 131,435	\$ 218,151	\$ 210,055	\$ 550,492
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	1,484,019	-	-	-
Other receipts	81,613	377,196	19,608	30,220	31,574	4,239	488
Total receipts	81,613	377,196	19,608	1,514,239	31,574	4,239	488
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	75,000	339,139	-	-	-	-	-
Capital outlay	-	-	-	26,149	-	-	550,975
Utility operating expenses	300	-	-	859,428	29,826	-	-
Other disbursements	-	-	-	427,706	-	-	-
Total disbursements	75,300	339,139	-	1,313,283	29,826	-	550,975
Excess (deficiency) of receipts over disbursements	6,313	38,057	19,608	200,956	1,748	4,239	(550,487)
Cash and investments - ending	\$ 43,991	\$ 227,721	\$ 522,544	\$ 332,391	\$ 219,899	\$ 214,294	\$ 5

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

	2006 WATER WORKS REVENUE BOND	WATER BOND PRINCIPAL & INTEREST 09	WATER BOND PRINCIPAL & INTEREST 95	WATER BOND PRINCIPAL & INTEREST 06	WATER BOND PRINCIPAL & INTEREST 01	WATER BOND RESERVE	TOTALS
Cash and investments - beginning	\$ 105,219	\$ -	\$ -	\$ -	\$ -	\$ 366,704	\$ 10,672,003
Receipts:							
Taxes	-	-	-	-	-	-	3,296,072
Licenses and permits	-	-	-	-	-	-	1,699
Intergovernmental	-	-	-	-	-	-	1,620,082
Charges for services	-	-	-	-	-	-	1,749,944
Fines and forfeits	-	-	-	-	-	-	3,143
Utility fees	-	-	-	-	-	-	3,354,172
Other receipts	100,000	42,425	113,608	28,005	262,950	8,424	8,151,101
Total receipts	100,000	42,425	113,608	28,005	262,950	8,424	18,176,213
Disbursements:							
Personal services	-	-	-	-	-	-	3,861,185
Supplies	-	-	-	-	-	-	361,609
Other services and charges	-	-	-	-	-	-	1,440,527
Debt service - principal and interest	-	42,075	113,108	27,705	262,950	-	1,362,332
Capital outlay	-	-	-	-	-	-	2,241,976
Utility operating expenses	-	350	500	300	-	-	2,063,457
Other disbursements	27,705	-	-	-	-	-	7,059,371
Total disbursements	27,705	42,425	113,608	28,005	262,950	-	18,390,457
Excess (deficiency) of receipts over disbursements	72,295	-	-	-	-	8,424	(214,244)
Cash and investments - ending	\$ 177,514	\$ -	\$ -	\$ -	\$ -	\$ 375,128	\$ 10,457,759

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 51,303	\$ -
Wastewater	11,108	-
Water	5,145	-
Totals	\$ 67,556	\$ -

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
SunTrust Equipment Finance & Leasing Corp	2009 Aerial Ladder Fire Truck	\$ 99,673	07-15-09	01-15-14
Total of annual lease payments		<u>\$ 99,673</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Edit Bond 2004 - Infrastructure	\$ 596,000	\$ 81,218
Revenue bonds	Edit Bond 2006 - Infrastructure	435,000	19,945
Revenue bonds	TIF Bond 2003 - Infrastructure	<u>435,000</u>	<u>61,375</u>
Total governmental activities		<u>1,466,000</u>	<u>162,538</u>
Wastewater:			
Revenue bonds	2006 Bond - Sewage Works Project	550,000	82,663
Revenue bonds	2009 Bond - Sewage Works National Homes Project	2,050,000	94,294
Revenue bonds	1995 Bond - Sewage Works	-	-
Revenue bonds	1998 Bond - Sewage Plant Upgrade	<u>2,424,007</u>	<u>389,605</u>
Total Wastewater		<u>5,024,007</u>	<u>566,562</u>
Water:			
Revenue bonds	1995 Bond - Water Works	-	-
Revenue bonds	2001 Bond - Water Plant Upgrade	2,056,937	29,826
Revenue bonds	2006 Bond - Water Works Project	610,000	13,853
Revenue bonds	2009 Bond - Water Works National Homes Project	<u>825,000</u>	<u>21,038</u>
Total Water		<u>3,491,937</u>	<u>64,717</u>
Totals		<u>\$ 9,981,944</u>	<u>\$ 793,817</u>

CITY OF MONTICELLO
 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,311,210
Infrastructure	6,531,232
Buildings	3,187,196
Improvements other than buildings	595,882
Machinery, equipment and vehicles	4,254,495
Construction in progress	<u>135,527</u>
Total governmental activities	<u>16,015,542</u>
Wastewater:	
Land	220,142
Infrastructure	2,696,400
Buildings	8,995,394
Improvements other than buildings	10,487,961
Machinery, equipment and vehicles	<u>937,721</u>
Total Wastewater	<u>23,337,618</u>
Water:	
Land	63,500
Infrastructure	2,928,648
Buildings	2,727,550
Improvements other than buildings	2,324,075
Machinery, equipment and vehicles	<u>1,058,163</u>
Total Water	<u>9,101,936</u>
Total capital assets	<u>\$ 48,455,096</u>

CITY OF MONTICELLO
EXAMINATION RESULT AND COMMENT

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger. The general ledger amount exceeds the subsidiary ledger amount by \$30,505. A similar comment has been issued in the prior six reports.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF MONTICELLO
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2012, with Elizabeth J. Oilar, Clerk-Treasurer; Kenneth P. Houston, Mayor; and Philip L. Vogel, President of the Common Council. The officials concurred with our finding.