

B40656

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF WASHINGTON
DAVISS COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
07/31/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Elaine Wellman	01-01-08 to 12-31-11
	Karen Brown	01-01-12 to 12-31-15
Mayor	Lawrence Haag	01-01-08 to 12-31-11
	Joseph Wellman	01-01-12 to 12-31-15
President of the Board of Public Works	Lawrence Haag	01-01-08 to 12-31-11
	Joseph Wellman	01-01-12 to 12-31-15
President of the Common Council	L. Joe Fleck	01-01-11 to 12-31-11
	Allen Brown	01-01-12 to 12-31-12
Superintendent of Water Utility	Charles Kane	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	Scott Rainey	01-01-11 to 12-31-12
Superintendent of Electric Utility	Randy Emmons	01-01-11 to 12-31-12
Superintendent of Storm Water Utility	Scott Rainey	01-01-11 to 12-31-12
Utility Office Manager	Anita Ash	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF WASHINGTON, DAVIESS COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Washington (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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.

In accordance with Government Auditing Standards, we have also issued a report dated June 18, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 Assets are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of 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, others within the entity, federal awarding agencies, and pass-through entities 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 18, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF WASHINGTON, DAVIESS COUNTY, INDIANA

We have audited the financial statement of the City of Washington (City), for the year ended December 31, 2011, and have issued our report thereon dated June 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities 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 18, 2012

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 WASHINGTON
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	\$ 1,513,149	\$ 5,116,153	\$ 4,249,359	\$ 2,379,943
Motor Vehicle Highway	578,581	801,000	764,864	614,717
Local Road And Street	9,190	40,908	46,417	3,681
Park Nonreverting Park Fund	1,989	-	1,291	698
Washington Transit	81,292	113,850	94,638	100,504
Local Law Enforcement Continuing Education	16,796	5,838	5,501	17,133
Deferral Program	6,531	2,420	7,074	1,877
Unsafe Building	31,078	3,995	24,370	10,703
Park & Recreation	129,253	278,293	274,062	133,484
Rainy Day	657,107	-	-	657,107
Police Canine Fund	276	11,290	6,211	5,355
Hazardous Materials	1,791	-	-	1,791
Tiff Southeast	1,821	5,309	820	6,310
Cumulative Capital Improvement	458	32,681	-	33,139
Cumulative Capital Development	121,331	58,422	-	179,753
Park Cumulative Building Fund	10,991	3,846	-	14,837
Edit Fund	356,845	273,745	161,507	469,083
Police Pension	105,453	143,801	175,901	73,353
Fire Pension	48,218	141,340	181,335	8,223
SRTS North	-	51,663	51,663	-
NSP Program Income Fund	-	518,874	432,065	86,809
Con American/AFLAC Withholding	-	6,575	6,566	9
Stellar Communities Grant	-	10,000	10,000	-
Drug Enforcement/Education	5,805	-	5,804	1
Fire Dept Donation	4,512	150	3,614	1,048
Donations-Eastside Park Improvements	1,864	1,025	-	2,889
Swimming Pool Donation	231,351	8,000	21,927	217,424
Parks Donation Fund-Lighting	50	-	-	50
Animal Control-Donations	50,214	1,081	4,398	46,897
Spay & Neuter Program	162	-	-	162
Downtown Revitalization	(56,380)	76,922	20,542	-
NSP1 Tokheim Grant	-	2,510,436	2,510,436	-
SRTS Master Plan Grant	-	45,155	45,155	-
Community Foundation Grants	1	425	-	426
Mcgruff Crime Dog Fund	111	-	-	111
Operation Pullover	20	-	-	20
Tiff Southwest	7,748	7,631	1,880	13,499
Washington/Daviess Co Mobile Emergency	47	-	-	47
Park - Train Fund	872	-	-	872
Police Dept Donations	1,592	1,150	1,000	1,742
Washington Housing Revolving Loan Fund	64,816	164	-	64,980
Washington/Daviess County Industrial Revolving	88,685	249,905	56,936	281,654
Park Pavilion Fund	1,187	-	-	1,187
Dare Contributions	94	-	-	94
Entry Team Equipment	1,495	-	-	1,495
Police LCC Grant	166	-	-	166
Brownfield Grant	2,916	-	-	2,916
G & T Equipment Replacement Fund	37,691	26,792	13,671	50,812
City Hall Go Bond	8,660	63,734	63,919	8,475
Transit ARRA Stimulus Grant	-	50,000	50,000	-
Payroll	-	5,805,648	5,805,648	-

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

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Perf Withholding	38,167	139,797	139,393	38,571
Federal Withholding Tax	-	556,780	556,780	-
State Withholding Tax	21,810	183,242	183,117	21,935
Fica Withholding Tax	(12,272)	562,543	562,680	(12,409)
County Withholding Tax	10,891	91,600	91,505	10,986
Life Insurance Withholding	28	410	410	28
Health Fund Trust-City Of Wash	339,580	1,903,191	1,790,249	452,522
Garnishment Deductions	-	18,211	18,211	-
Cancer Insurance Withholding	38	75,730	75,703	65
Vision Insurance--Vsp Withholding	97	10,074	10,075	96
City Health Insurance Fund	464,650	1,789	3,500	462,939
U.S. Savings Bonds - Emp W/H	-	600	600	-
Local 495 Union Dues	-	3,960	3,960	-
United Way Deduction	-	2,760	2,760	-
Dental Insurance HRI DHO Withholding	214	32,656	32,688	182
Utility Sales Tax	-	1,092,363	1,092,363	-
Christmas Club Deduction	-	15,570	15,570	-
Indiana Police Pension W/H	8,242	34,368	34,303	8,307
Indiana Fire Pension W/H	8,367	34,828	34,289	8,906
Child Support Deduction	-	79,820	79,820	-
Flex Spending Acct City of Washington Withholding	4,999	18,417	15,172	8,244
Air Evac Deduction	-	560	560	-
Voluntary Life (Lincoln) Deduct	1	14,296	14,208	89
Aul 457 Plan Deferred Comp Withholding	-	75,297	75,297	-
Municipal Electric Department	2,013,119	16,614,744	16,619,006	2,008,857
Electric Meter Deposit Fund	359,961	125,212	96,142	389,031
Electric Dept Improvement Fund	139,036	28,255	-	167,291
Impa Grant	12,900	10,616	8,932	14,584
Petty Cash Electric	2,000	-	-	2,000
Customer Deposit Cash	4,000	-	4,000	-
Storm Water	148,131	165,353	242,516	70,968
Municipal Wastewater	918,998	4,147,112	4,308,115	757,995
Wastewater Bond & Interest Fund	21,619	815,705	815,704	21,620
Sewage Construction Fund	756,849	3,513	20,907	739,455
2009 Sewer Construction	793,897	3,717	-	797,614
Wastewater Improvement Fund	26,533	-	-	26,533
Sewer Debt Reserve Account	389,273	384,999	-	774,272
CSO Construction Grant CDBG	-	6,301,244	6,301,244	-
SRF 2010 Wastewater Construction	-	4,955,940	4,955,940	-
Sewer SRF 2010	237,135	513,429	637,359	113,205
Petty Cash - Wastewater	500	-	-	500
Municipal Water Department	1,073,344	3,767,801	4,089,620	751,525
Waterworks Bond Fund	569,841	1,574,338	1,573,241	570,938
Water Meter Deposit Fund	185,406	82,488	55,922	211,972
Water Improvement Fund	175,596	1,382	-	176,978
Water Debt Reserve Account	1,653,482	-	-	1,653,482
Petty Cash Water	500	-	-	500
Totals	<u>\$ 14,492,761</u>	<u>\$ 60,912,931</u>	<u>\$ 59,660,435</u>	<u>\$ 15,745,257</u>

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

CITY OF WASHINGTON
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, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

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,

CITY OF WASHINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

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

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

E. Disbursements

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

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

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

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

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

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 WASHINGTON
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 WASHINGTON
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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement 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 WASHINGTON
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 Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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. Cash Balance Deficits

The financial statement contained a fund with a deficit in cash. This is a result of past posting errors that have been carried forward for a number of years and has remained fairly consistent. This is the first year in which the fund is not combined with the other payroll withholding funds.

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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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Park Fund	Washington Transit	Local Law Enforcement Continuing Education	Deferral Program
Cash and investments - beginning	\$ 1,513,149	\$ 578,581	\$ 9,190	\$ 1,989	\$ 81,292	\$ 16,796	\$ 6,531
Receipts:							
Taxes	1,926,595	341,327	-	-	36,446	-	-
Licenses and permits	101,873	-	-	-	-	3,665	-
Intergovernmental	1,935,165	438,357	40,908	-	71,456	-	-
Charges for services	989,342	8,886	-	-	-	845	-
Fines and forfeits	9,832	-	-	-	-	-	2,420
Utility fees	-	-	-	-	-	-	-
Other receipts	153,346	12,430	-	-	5,948	1,328	-
Total receipts	<u>5,116,153</u>	<u>801,000</u>	<u>40,908</u>	<u>-</u>	<u>113,850</u>	<u>5,838</u>	<u>2,420</u>
Disbursements:							
Personal services	3,257,640	483,488	-	-	48,998	2,619	-
Supplies	185,644	134,342	-	1,291	18,722	868	-
Other services and charges	611,560	121,245	46,417	-	24,244	-	-
Debt service - principal and interest	47,061	-	-	-	-	-	-
Capital outlay	56,683	25,789	-	-	2,674	2,014	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	90,771	-	-	-	-	-	7,074
Total disbursements	<u>4,249,359</u>	<u>764,864</u>	<u>46,417</u>	<u>1,291</u>	<u>94,638</u>	<u>5,501</u>	<u>7,074</u>
Excess (deficiency) of receipts over disbursements	<u>866,794</u>	<u>36,136</u>	<u>(5,509)</u>	<u>(1,291)</u>	<u>19,212</u>	<u>337</u>	<u>(4,654)</u>
Cash and investments - ending	<u>\$ 2,379,943</u>	<u>\$ 614,717</u>	<u>\$ 3,681</u>	<u>\$ 698</u>	<u>\$ 100,504</u>	<u>\$ 17,133</u>	<u>\$ 1,877</u>

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

	Unsafe Building	Park & Recreation	Rainy Day	Police Canine Fund	Hazardous Materials	Tiff Southeast	Cumulative Capital Improvement
Cash and investments - beginning	\$ 31,078	\$ 129,253	\$ 657,107	\$ 276	\$ 1,791	\$ 1,821	\$ 458
Receipts:							
Taxes	-	223,590	-	-	-	5,309	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	34,825	-	-	-	-	32,681
Charges for services	-	15,375	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,995	4,503	-	11,290	-	-	-
Total receipts	<u>3,995</u>	<u>278,293</u>	<u>-</u>	<u>11,290</u>	<u>-</u>	<u>5,309</u>	<u>32,681</u>
Disbursements:							
Personal services	-	161,823	-	-	-	300	-
Supplies	-	32,726	-	-	-	-	-
Other services and charges	-	64,990	-	2,301	-	520	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	13,673	-	3,910	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	24,370	850	-	-	-	-	-
Total disbursements	<u>24,370</u>	<u>274,062</u>	<u>-</u>	<u>6,211</u>	<u>-</u>	<u>820</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(20,375)</u>	<u>4,231</u>	<u>-</u>	<u>5,079</u>	<u>-</u>	<u>4,489</u>	<u>32,681</u>
Cash and investments - ending	<u>\$ 10,703</u>	<u>\$ 133,484</u>	<u>\$ 657,107</u>	<u>\$ 5,355</u>	<u>\$ 1,791</u>	<u>\$ 6,310</u>	<u>\$ 33,139</u>

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

	Cumulative Capital Development	Park Cumulative Building Fund	Edit Fund	Police Pension	Fire Pension	SRTS North	NSP Program Income Fund
Cash and investments - beginning	\$ 121,331	\$ 10,991	\$ 356,845	\$ 105,453	\$ 48,218	\$ -	\$ -
Receipts:							
Taxes	50,549	3,328	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	7,873	518	273,745	-	-	51,663	518,874
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	143,801	141,340	-	-
Total receipts	<u>58,422</u>	<u>3,846</u>	<u>273,745</u>	<u>143,801</u>	<u>141,340</u>	<u>51,663</u>	<u>518,874</u>
Disbursements:							
Personal services	-	-	-	48,896	181,335	-	-
Supplies	-	-	-	62	-	-	-
Other services and charges	-	-	21,507	126,943	-	51,663	432,065
Debt service - principal and interest	-	-	140,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>161,507</u>	<u>175,901</u>	<u>181,335</u>	<u>51,663</u>	<u>432,065</u>
Excess (deficiency) of receipts over disbursements	<u>58,422</u>	<u>3,846</u>	<u>112,238</u>	<u>(32,100)</u>	<u>(39,995)</u>	<u>-</u>	<u>86,809</u>
Cash and investments - ending	<u>\$ 179,753</u>	<u>\$ 14,837</u>	<u>\$ 469,083</u>	<u>\$ 73,353</u>	<u>\$ 8,223</u>	<u>\$ -</u>	<u>\$ 86,809</u>

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

	Con American/AFLAC Withholding	Stellar Communities Grant	Drug Enforcement/ Education	Fire Dept Donation	Donations-Eastside Park Improvements	Swimming Pool Donation	Parks Donation Fund-Lighting
Cash and investments - beginning	\$ -	\$ -	\$ 5,805	\$ 4,512	\$ 1,864	\$ 231,351	\$ 50
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	10,000	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,575	-	-	150	1,025	8,000	-
Total receipts	6,575	10,000	-	150	1,025	8,000	-
Disbursements:							
Personal services	6,566	-	841	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	10,000	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	4,963	3,614	-	21,927	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	6,566	10,000	5,804	3,614	-	21,927	-
Excess (deficiency) of receipts over disbursements	9	-	(5,804)	(3,464)	1,025	(13,927)	-
Cash and investments - ending	\$ 9	\$ -	\$ 1	\$ 1,048	\$ 2,889	\$ 217,424	\$ 50

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

	Animal Control-Donations	Spay & Neuter Program	Downtown Revitalization	NSP1 Tokheim Grant	SRTS Master Plan Grant	Community Foundation Grants	Mcgruff Crime Dog Fund
Cash and investments - beginning	\$ 50,214	\$ 162	\$ (56,380)	\$ -	\$ -	\$ 1	\$ 111
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	76,922	2,510,436	45,155	425	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,081	-	-	-	-	-	-
Total receipts	<u>1,081</u>	<u>-</u>	<u>76,922</u>	<u>2,510,436</u>	<u>45,155</u>	<u>425</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	3,344	-	-	-	-	-	-
Other services and charges	-	-	-	2,510,436	45,155	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,054	-	20,542	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>4,398</u>	<u>-</u>	<u>20,542</u>	<u>2,510,436</u>	<u>45,155</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,317)</u>	<u>-</u>	<u>56,380</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>-</u>
Cash and investments - ending	<u>\$ 46,897</u>	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426</u>	<u>\$ 111</u>

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

	Operation Pullover	Tiff Southwest	Washington/Daviess Co Mobile Emergency	Park - Train Fund	Police Dept Donations	Washington Housing Revolving Loan Fund	Washington/Daviess County Industrial Revolving
Cash and investments - beginning	\$ 20	\$ 7,748	\$ 47	\$ 872	\$ 1,592	\$ 64,816	\$ 88,685
Receipts:							
Taxes	-	7,631	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,150	164	249,905
Total receipts	-	7,631	-	-	1,150	164	249,905
Disbursements:							
Personal services	-	400	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,480	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,000	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	56,936
Total disbursements	-	1,880	-	-	1,000	-	56,936
Excess (deficiency) of receipts over disbursements	-	5,751	-	-	150	164	192,969
Cash and investments - ending	<u>\$ 20</u>	<u>\$ 13,499</u>	<u>\$ 47</u>	<u>\$ 872</u>	<u>\$ 1,742</u>	<u>\$ 64,980</u>	<u>\$ 281,654</u>

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

	Park Pavilion Fund	Dare Contributions	Entry Team Equipment	Police LCC Grant	Brownfield Grant	G & T Equipment Replacement Fund	City Hall Go Bond
Cash and investments - beginning	\$ 1,187	\$ 94	\$ 1,495	\$ 166	\$ 2,916	\$ 37,691	\$ 8,660
Receipts:							
Taxes	-	-	-	-	-	-	55,145
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	8,589
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	26,792	-
Total receipts	-	-	-	-	-	26,792	63,734
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	2,051	-
Other services and charges	-	-	-	-	-	9,637	-
Debt service - principal and interest	-	-	-	-	-	-	63,919
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,983	-
Total disbursements	-	-	-	-	-	13,671	63,919
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	13,121	(185)
Cash and investments - ending	<u>\$ 1,187</u>	<u>\$ 94</u>	<u>\$ 1,495</u>	<u>\$ 166</u>	<u>\$ 2,916</u>	<u>\$ 50,812</u>	<u>\$ 8,475</u>

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

	Transit ARRA Stimulus Grant	Payroll	Perf Withholding	Federal Withholding Tax	State Withholding Tax	Fica Withholding Tax	County Withholding Tax
Cash and investments - beginning	\$ -	\$ -	\$ 38,167	\$ -	\$ 21,810	\$ (12,272)	\$ 10,891
Receipts:							
Taxes	-	-	-	556,780	183,242	562,543	91,600
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	50,000	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	5,805,648	139,797	-	-	-	-
Total receipts	<u>50,000</u>	<u>5,805,648</u>	<u>139,797</u>	<u>556,780</u>	<u>183,242</u>	<u>562,543</u>	<u>91,600</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	50,000	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	5,805,648	139,393	556,780	183,117	562,680	91,505
Total disbursements	<u>50,000</u>	<u>5,805,648</u>	<u>139,393</u>	<u>556,780</u>	<u>183,117</u>	<u>562,680</u>	<u>91,505</u>
Excess (deficiency) of receipts over disbursements	-	-	404	-	125	(137)	95
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,571</u>	<u>\$ -</u>	<u>\$ 21,935</u>	<u>\$ (12,409)</u>	<u>\$ 10,986</u>

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

	Life Insurance Withholding	Health Fund Trust-City Of Wash	Garnishment Deductions	Cancer Insurance Withholding	Vision Insurance--Vsp Withholding	City Health Insurance Fund	U.S. Savings Bonds - - Emp W/H
Cash and investments - beginning	\$ 28	\$ 339,580	\$ -	\$ 38	\$ 97	\$ 464,650	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	410	1,903,191	18,211	75,730	10,074	1,789	600
Total receipts	<u>410</u>	<u>1,903,191</u>	<u>18,211</u>	<u>75,730</u>	<u>10,074</u>	<u>1,789</u>	<u>600</u>
Disbursements:							
Personal services	410	1,790,249	-	75,703	10,075	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	18,211	-	-	3,500	600
Total disbursements	<u>410</u>	<u>1,790,249</u>	<u>18,211</u>	<u>75,703</u>	<u>10,075</u>	<u>3,500</u>	<u>600</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>112,942</u>	<u>-</u>	<u>27</u>	<u>(1)</u>	<u>(1,711)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 28</u>	<u>\$ 452,522</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 96</u>	<u>\$ 462,939</u>	<u>\$ -</u>

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

	Local 495 Union Dues	United Way Deduction	Dental Insurance HRI DHO Withholding	Utility Sales Tax	Christmas Club Deduction	Indiana Police Pension W/H
Cash and investments - beginning	\$ -	\$ -	\$ 214	\$ -	\$ -	\$ 8,242
Receipts:						
Taxes	-	-	-	1,092,363	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,960	2,760	32,656	-	15,570	34,368
Total receipts	3,960	2,760	32,656	1,092,363	15,570	34,368
Disbursements:						
Personal services	-	-	32,688	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,960	2,760	-	1,092,363	15,570	34,303
Total disbursements	3,960	2,760	32,688	1,092,363	15,570	34,303
Excess (deficiency) of receipts over disbursements	-	-	(32)	-	-	65
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,307</u>

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

	Indiana Fire Pension W/H	Child Support Deduction	Flex Spending Acct City of Washington Withholding	Air Evac Deduction	Voluntary Life (Lincoln) Deduct	Aul 457 Plan Deferred Comp Withholding
Cash and investments - beginning	\$ 8,367	\$ -	\$ 4,999	\$ -	\$ 1	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>34,828</u>	<u>79,820</u>	<u>18,417</u>	<u>560</u>	<u>14,296</u>	<u>75,297</u>
Total receipts	<u>34,828</u>	<u>79,820</u>	<u>18,417</u>	<u>560</u>	<u>14,296</u>	<u>75,297</u>
Disbursements:						
Personal services	-	-	15,172	-	-	75,297
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>34,289</u>	<u>79,820</u>	<u>-</u>	<u>560</u>	<u>14,208</u>	<u>-</u>
Total disbursements	<u>34,289</u>	<u>79,820</u>	<u>15,172</u>	<u>560</u>	<u>14,208</u>	<u>75,297</u>
Excess (deficiency) of receipts over disbursements	<u>539</u>	<u>-</u>	<u>3,245</u>	<u>-</u>	<u>88</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,906</u>	<u>\$ -</u>	<u>\$ 8,244</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ -</u>

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

	Municipal Electric Department	Electric Meter Deposit Fund	Electric Dept Improvement Fund	Impa Grant	Petty Cash Electric	Customer Deposit Cash
Cash and investments - beginning	\$ 2,013,119	\$ 359,961	\$ 139,036	\$ 12,900	\$ 2,000	\$ 4,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	10,600	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	16,193,292	125,212	-	-	-	-
Other receipts	421,452	-	28,255	16	-	-
Total receipts	<u>16,614,744</u>	<u>125,212</u>	<u>28,255</u>	<u>10,616</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	8,932	-	-
Utility operating expenses	1,065,223	-	-	-	-	-
Other disbursements	15,553,783	96,142	-	-	-	4,000
Total disbursements	<u>16,619,006</u>	<u>96,142</u>	<u>-</u>	<u>8,932</u>	<u>-</u>	<u>4,000</u>
Excess (deficiency) of receipts over disbursements	<u>(4,262)</u>	<u>29,070</u>	<u>28,255</u>	<u>1,684</u>	<u>-</u>	<u>(4,000)</u>
Cash and investments - ending	<u>\$ 2,008,857</u>	<u>\$ 389,031</u>	<u>\$ 167,291</u>	<u>\$ 14,584</u>	<u>\$ 2,000</u>	<u>\$ -</u>

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

	Storm Water	Municipal Wastewater	Wastewater Bond & Interest Fund	Sewage Construction Fund	2009 Sewer Construction	Wastewater Improvement Fund
Cash and investments - beginning	\$ 148,131	\$ 918,998	\$ 21,619	\$ 756,849	\$ 793,897	\$ 26,533
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	162,229	3,960,050	-	-	-	-
Other receipts	3,124	187,062	815,705	3,513	3,717	-
Total receipts	165,353	4,147,112	815,705	3,513	3,717	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	815,704	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	69,165	824,980	-	-	-	-
Other disbursements	173,351	3,483,135	-	20,907	-	-
Total disbursements	242,516	4,308,115	815,704	20,907	-	-
Excess (deficiency) of receipts over disbursements	(77,163)	(161,003)	1	(17,394)	3,717	-
Cash and investments - ending	<u>\$ 70,968</u>	<u>\$ 757,995</u>	<u>\$ 21,620</u>	<u>\$ 739,455</u>	<u>\$ 797,614</u>	<u>\$ 26,533</u>

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

	Sewer Debt Reserve Account	CSO Construction Grant CDBG	SRF 2010 Wastewater Construction	Sewer SRF 2010	Petty Cash - Wastewater	Municipal Water Department
Cash and investments - beginning	\$ 389,273	\$ -	\$ -	\$ 237,135	\$ 500	\$ 1,073,344
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	6,301,244	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	3,460,937
Other receipts	384,999	-	4,955,940	513,429	-	306,864
Total receipts	384,999	6,301,244	4,955,940	513,429	-	3,767,801
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	773,685
Other disbursements	-	6,301,244	4,955,940	637,359	-	3,315,935
Total disbursements	-	6,301,244	4,955,940	637,359	-	4,089,620
Excess (deficiency) of receipts over disbursements	384,999	-	-	(123,930)	-	(321,819)
Cash and investments - ending	<u>\$ 774,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,205</u>	<u>\$ 500</u>	<u>\$ 751,525</u>

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

	Waterworks Bond Fund	Water Meter Deposit Fund	Water Improvement Fund	Water Debt Reserve Account	Petty Cash Water	Totals
Cash and investments - beginning	\$ 569,841	\$ 185,406	\$ 175,596	\$ 1,653,482	\$ 500	\$ 14,492,761
Receipts:						
Taxes	-	-	-	-	-	5,136,448
Licenses and permits	-	-	-	-	-	105,538
Intergovernmental	-	-	-	-	-	12,419,436
Charges for services	-	-	-	-	-	1,014,448
Fines and forfeits	-	-	-	-	-	12,252
Utility fees	-	82,488	-	-	-	23,984,208
Other receipts	1,574,338	-	1,382	-	-	18,240,601
Total receipts	<u>1,574,338</u>	<u>82,488</u>	<u>1,382</u>	<u>-</u>	<u>-</u>	<u>60,912,931</u>
Disbursements:						
Personal services	-	-	-	-	-	6,192,500
Supplies	-	-	-	-	-	379,050
Other services and charges	-	-	-	-	-	4,080,163
Debt service - principal and interest	1,573,241	-	-	-	-	2,639,925
Capital outlay	-	-	-	-	-	216,775
Utility operating expenses	-	-	-	-	-	2,733,053
Other disbursements	-	55,922	-	-	-	43,418,969
Total disbursements	<u>1,573,241</u>	<u>55,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,660,435</u>
Excess (deficiency) of receipts over disbursements	<u>1,097</u>	<u>26,566</u>	<u>1,382</u>	<u>-</u>	<u>-</u>	<u>1,252,496</u>
Cash and investments - ending	<u>\$ 570,938</u>	<u>\$ 211,972</u>	<u>\$ 176,978</u>	<u>\$ 1,653,482</u>	<u>\$ 500</u>	<u>\$ 15,745,257</u>

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 299,526	\$ 89,079
Electric	1,095,709	1,364,731
Storm Water	3,868	16,246
Wastewater	86,921	205,951
Water	<u>82,853</u>	<u>274,909</u>
Totals	<u>\$ 1,568,877</u>	<u>\$ 1,950,916</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Wastewater: Old National Bank	Sewer vac	\$ 39,420	07-27-11	07-27-16
Stormwater: Old National Bank	Street sweeper	22,942	02-18-09	02-18-14
Total of annual lease payments		<u>\$ 62,362</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	City Hall renovation/elevator	\$ 140,000	\$ 74,681
General obligation bonds	2006 County EDIT Bonds	1,330,000	140,000
Notes and loans payable	Garbage truck	90,000	31,965
Total governmental activities		<u>1,560,000</u>	<u>246,646</u>
Storm Water:			
Notes and loans payable	Street sweeper	45,318	22,942
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2007	7,525,000	309,935
Revenue bonds	Sewage Works Revenue Bonds of 2009	2,565,000	97,708
Notes and loans payable	Washington Municipal Sewer Utility 2010 SRF	14,865,145	-
Notes and loans payable	Waterline casing	162,500	32,500
Total Wastewater		<u>25,117,645</u>	<u>440,143</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2006	5,350,000	332,648
Revenue bonds	Waterworks Refunding Revenue Bonds of 2005	6,980,000	1,244,973
Notes and loans payable	Waterline casing	162,500	32,500
Total Water		<u>12,492,500</u>	<u>1,610,121</u>
Totals		<u>\$ 39,215,463</u>	<u>\$ 2,319,852</u>

CITY OF WASHINGTON
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	\$ 357,580
Infrastructure	2,416,838
Buildings	3,730,228
Improvements other than buildings	2,059,928
Machinery, equipment and vehicles	3,844,294
Total governmental activities	12,408,868
Electric:	
Land	56,700
Buildings	828,002
Improvements other than buildings	10,958,488
Machinery, equipment and vehicles	4,359,853
Construction in progress	234,218
Total Electric	16,437,261
Storm Water:	
Buildings	28,722
Improvements other than buildings	158,603
Machinery, equipment and vehicles	170,945
Construction in progress	15,107
Total Storm Water	373,377
Wastewater:	
Land	378,549
Buildings	2,859,906
Improvements other than buildings	17,061,649
Machinery, equipment and vehicles	5,680,165
Construction in progress	23,358,780
Total Wastewater	49,339,049
Water:	
Land	166,402
Buildings	15,601,165
Improvements other than buildings	12,187,050
Machinery, equipment and vehicles	4,239,148
Construction in progress	82,805
Total Water	32,276,570
Total capital assets	\$ 110,835,125

CITY OF WASHINGTON
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the FICA Withholding Fund was overdrawn in 2011.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF WASHINGTON, DAVIESS COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Washington (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal program(s) for the year ended December 31, 2011. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities 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 18, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG-State-Administered CDBG Cluster Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228		
Disaster Recovery Grant - Downtown Revitalization		DR2-09-054	\$ 20,542
Disaster Recovery Grant - Wastewater CSO Project		DR2-09-085	6,301,244
Pass-Through Indiana Housing and Community Development Authority CDBG - State-Administered CDBG Cluster Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228	NSP1-009-0028	<u>2,510,436</u>
Total for federal grantor agency			<u>8,832,222</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Master Plan	20.205		
		DES#0901259	45,155
		DES#0902312	<u>51,663</u>
Total for cluster			<u>96,818</u>
Formula Grants for Other Than Urbanized Areas	20.509	EDS# A249-10-320383	42,020
ARRA - Formula Grants for Other Than Urbanized Areas	20.509	EDS# A249-10-321141	<u>50,000</u>
Total for federal grantor agency			<u>188,838</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	WW09428801	<u>4,955,940</u>
Total for federal grantor agency			<u>4,955,940</u>
Total federal awards expended			<u>\$ 13,977,000</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF WASHINGTON
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Washington and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF WASHINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

CDBG – State-Administered CDBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF WASHINGTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF WASHINGTON
EXIT CONFERENCE

The contents of this report were discussed on June 18, 2012, with Joseph Wellman, Mayor; Allen Brown, President of the Common Council; and Karen Brown, Clerk-Treasurer.