

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF WARSAW

KOSCIUSKO COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
10/03/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lynne Christiansen	03-06-10 to 12-31-15
Mayor	Ernest Wiggins Joseph M. Thallemer	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Common Council	Joseph M. Thallemer Elaine Call	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Wastewater Utility	Brian Davison	01-01-11 to 12-31-12
Utility Office Manager	Mary Lou Plummer	01-01-11 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF WARSAW, KOSCIUSKO COUNTY, INDIANA

We have examined the financial statement of the City of Warsaw (City), for the period of January 1, 2011 to December 31, 2011. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

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

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

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

This report is intended solely for the information and use of the City's management, the Common Council, the Board of Public Works and Safety, 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

July 19, 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 WARSAW
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 8,363,287	\$ 7,369,464	\$ 8,669,388	\$ 7,063,363
Motor Vehicle Highway	612,685	338,460	396,933	554,212
Local Road and Street	160,596	110,529	120,000	151,125
Aviation	587,218	409,753	493,907	503,064
Park Operational Non-Reverting	24,820	11,495	9,938	26,377
Unsafe Building	4,040	-	-	4,040
Law Enforcement Continuing Education	39,654	19,939	31,344	28,249
Riverboat	47,640	77,694	66,658	58,676
Park	1,030,775	1,934,048	1,748,011	1,216,812
Rainy Day	1,323,527	-	4,017	1,319,510
Economic Development Income Tax	325,978	637,644	587,644	375,978
Levy Excess	27,817	-	27,817	-
Fire Territory Operating	665,712	4,381,686	3,957,071	1,090,327
Cumulative Capital Improvement	153,022	35,653	12,000	176,675
Cumulative Capital Development	1,237,465	473,281	595,250	1,115,496
Park Capital Outlay Non-Reverting	41,646	10,808	16,996	35,458
Fire Territory Equipment	642,133	606,248	240,637	1,007,744
Self-Insurance	65,942	1,965,005	1,953,589	77,358
Police Pension	812,867	421,776	335,358	899,285
Fire Pension	757,155	329,133	264,190	822,098
Tax	100	3,646	3,652	94
Redevelopment District General	156,431	64,744	31,431	189,744
Sewage 2011 Construction	-	4,699,798	46,798	4,653,000
Redevelopment Allocation	1,466,631	289,223	95,790	1,660,064
City Hall 2011 Debt Service	-	125,505	5	125,500
City Hall 2011 Capital Fund	-	1,242,450	219,869	1,022,581
Petty Cash/Cash Change	750	-	-	750
Cemetery	343,427	522,172	489,522	376,077
Donation	44,759	80,247	74,446	50,560
Grants	5,174	169,775	147,828	27,121
Cemetery Perm and Perpetual Care	1,261,684	28,580	1,570	1,288,694
Redevelopment Northern TIF Allocation	2,996,503	1,645,848	1,209,236	3,433,115
Redevelopment TIF Winona Interurban	13,037	17,401	-	30,438
Aviation Depreciation	261,945	20,747	70,000	212,692
General Bond	131,565	257,150	258,725	129,990
Self-Insurance Fire Territory	345,261	510,943	410,985	445,219
Wastewater Bond & Interest 2008	952	120,301	120,210	1,043
Wastewater Bond & Interest 2003	7,807	1,062,004	1,061,184	8,627
Wastewater Utility Cash Reserve	131,078	287,155	262,155	156,078
Wastewater Bond Sinking 2003	1,061,190	-	-	1,061,190
Wastewater Lease BD 01/2005 Sink	870,000	-	-	870,000
Wastewater Bond 2008 Sinking	58,605	23,463	-	82,068
Aviation Fuel Trust	56,840	2,877,980	2,899,409	35,411
Wastewater Lease BD 2005/payment	151,025	866,525	866,000	151,550
Payroll	161,319	8,434,598	8,423,735	172,182
Employee Benefit Trust	63,857	100,848	143,633	21,072
Wastewater Operating	6,524,598	6,848,418	8,050,110	5,322,906
Wastewater Depreciation	1,045,271	2,255,000	2,950,560	349,711
Totals	<u>\$ 34,083,788</u>	<u>\$ 51,687,137</u>	<u>\$ 47,367,601</u>	<u>\$ 38,403,324</u>

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

CITY OF WARSAW
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, wastewater, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

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

Licenses and permits which include amounts received from businesses, occupations, or non-businesses 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 WARSAW
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.

Penalties which include fees received for late payments.

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

E. Disbursements

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

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

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

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

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

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

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

CITY OF WARSAW
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.

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.

CITY OF WARSAW
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

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.

CITY OF WARSAW
NOTES TO FINANCIAL STATEMENT
(Continued)

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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.

CITY OF WARSAW
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

	General Fund	Motor Vehicle Highway	Local Road and Street	Aviation	Park Operational Non-Reverting	Unsafe Building	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 8,363,287	\$ 612,685	\$ 160,596	\$ 587,218	\$ 24,820	\$ 4,040	\$ 39,654
Receipts:							
Taxes	3,908,521	-	-	14,420	-	-	-
Licenses and permits	27,499	-	-	-	-	-	19,939
Intergovernmental	2,241,047	338,460	110,529	171	-	-	-
Charges for services	51,648	-	-	395,162	11,495	-	-
Fines and forfeits	22,539	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,118,210	-	-	-	-	-	-
Total receipts	7,369,464	338,460	110,529	409,753	11,495	-	19,939
Disbursements:							
Personal services	5,465,962	-	-	293,813	-	-	-
Supplies	631,136	152,720	20,000	39,413	5,713	-	350
Other services and charges	1,798,968	189,221	100,000	137,733	3,365	-	3,994
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	271,708	54,992	-	22,948	-	-	27,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	501,614	-	-	-	860	-	-
Total disbursements	8,669,388	396,933	120,000	493,907	9,938	-	31,344
Excess (deficiency) of receipts over disbursements	(1,299,924)	(58,473)	(9,471)	(84,154)	1,557	-	(11,405)
Cash and investments - ending	\$ 7,063,363	\$ 554,212	\$ 151,125	\$ 503,064	\$ 26,377	\$ 4,040	\$ 28,249

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

	Riverboat	Park	Rainy Day	Economic Development Income Tax	Levy Excess	Fire Territory Operating	Cumulative Capital Improvement
Cash and investments - beginning	\$ 47,640	\$ 1,030,775	\$ 1,323,527	\$ 325,978	\$ 27,817	\$ 665,712	\$ 153,022
Receipts:							
Taxes	77,694	1,685,310	-	-	-	3,239,366	35,653
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	19,910	-	637,644	-	630,491	-
Charges for services	-	228,828	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	511,829	-
Total receipts	77,694	1,934,048	-	637,644	-	4,381,686	35,653
Disbursements:							
Personal services	-	1,044,983	-	-	-	2,400,303	-
Supplies	-	162,509	-	-	-	93,587	-
Other services and charges	-	396,959	-	-	-	308,421	12,000
Debt service - principal and interest	66,658	-	-	-	-	-	-
Capital outlay	-	143,560	4,017	587,644	-	499,760	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	27,817	655,000	-
Total disbursements	66,658	1,748,011	4,017	587,644	27,817	3,957,071	12,000
Excess (deficiency) of receipts over disbursements	11,036	186,037	(4,017)	50,000	(27,817)	424,615	23,653
Cash and investments - ending	\$ 58,676	\$ 1,216,812	\$ 1,319,510	\$ 375,978	\$ -	\$ 1,090,327	\$ 176,675

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

	Cumulative Capital Development	Park Capital Outlay Non-Reverting	Fire Territory Equipment	Self-Insurance	Police Pension	Fire Pension	Tax
Cash and investments - beginning	\$ 1,237,465	\$ 41,646	\$ 642,133	\$ 65,942	\$ 812,867	\$ 757,155	\$ 100
Receipts:							
Taxes	450,618	-	417,973	-	61,284	51,370	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,323	-	33,275	-	724	608	-
Charges for services	-	10,808	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	17,340	-	155,000	1,965,005	359,768	277,155	3,646
Total receipts	473,281	10,808	606,248	1,965,005	421,776	329,133	3,646
Disbursements:							
Personal services	-	-	-	-	335,258	264,190	-
Supplies	26,919	-	-	-	-	-	-
Other services and charges	558,453	16,996	-	1,953,589	100	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	9,878	-	240,637	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,652
Total disbursements	595,250	16,996	240,637	1,953,589	335,358	264,190	3,652
Excess (deficiency) of receipts over disbursements	(121,969)	(6,188)	365,611	11,416	86,418	64,943	(6)
Cash and investments - ending	\$ 1,115,496	\$ 35,458	\$ 1,007,744	\$ 77,358	\$ 899,285	\$ 822,098	\$ 94

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

	Redevelopment District General	Sewage 2011 Construction	Redevelopment Allocation	City Hall 2011 Debt Service	City Hall 2011 Capital Fund	Petty Cash/Cash Change	Cemetery
Cash and investments - beginning	\$ 156,431	\$ -	\$ 1,466,631	\$ -	\$ -	\$ 750	\$ 343,427
Receipts:							
Taxes	60,913	-	289,218	-	-	-	416,371
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,831	-	-	-	-	-	4,918
Charges for services	-	-	-	-	-	-	100,883
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	4,699,798	5	125,505	1,242,450	-	-
Total receipts	64,744	4,699,798	289,223	125,505	1,242,450	-	522,172
Disbursements:							
Personal services	-	-	-	-	-	-	365,055
Supplies	-	-	-	-	-	-	31,458
Other services and charges	6,975	-	95,785	-	350	-	30,613
Debt service - principal and interest	24,456	-	-	-	-	-	-
Capital outlay	-	46,798	-	-	94,019	-	62,396
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	5	5	125,500	-	-
Total disbursements	31,431	46,798	95,790	5	219,869	-	489,522
Excess (deficiency) of receipts over disbursements	33,313	4,653,000	193,433	125,500	1,022,581	-	32,650
Cash and investments - ending	\$ 189,744	\$ 4,653,000	\$ 1,660,064	\$ 125,500	\$ 1,022,581	\$ 750	\$ 376,077

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

	Donation	Grants	Cemetery Perm and Perpetual Care	Redevelopment Northern TIF Allocation	Redevelopment TIF Winona Interurban	Aviation Depreciation	General Bond
Cash and investments - beginning	\$ 44,759	\$ 5,174	\$ 1,261,684	\$ 2,996,503	\$ 13,037	\$ 261,945	\$ 131,565
Receipts:							
Taxes	-	-	-	1,645,848	17,401	-	254,148
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	169,775	-	-	-	-	3,002
Charges for services	-	-	-	-	-	20,747	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	80,247	-	28,580	-	-	-	-
Total receipts	80,247	169,775	28,580	1,645,848	17,401	20,747	257,150
Disbursements:							
Personal services	-	-	-	10,005	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	250	178,032	-	-	350
Debt service - principal and interest	-	-	-	-	-	-	258,375
Capital outlay	-	-	1,320	1,021,199	-	70,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	74,446	147,828	-	-	-	-	-
Total disbursements	74,446	147,828	1,570	1,209,236	-	70,000	258,725
Excess (deficiency) of receipts over disbursements	5,801	21,947	27,010	436,612	17,401	(49,253)	(1,575)
Cash and investments - ending	\$ 50,560	\$ 27,121	\$ 1,288,694	\$ 3,433,115	\$ 30,438	\$ 212,692	\$ 129,990

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

	Self-Insurance Fire Territory	Wastewater Bond & Interest 2008	Wastewater Bond & Interest 2003	Wastewater Utility Cash Reserve	Wastewater Bond Sinking 2003	Wastewater Lease BD 01/2005 Sink	Wastewater Bond 2008 Sinking
Cash and investments - beginning	\$ 345,261	\$ 952	\$ 7,807	\$ 131,078	\$ 1,061,190	\$ 870,000	\$ 58,605
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	510,943	120,301	1,062,004	287,155	-	-	23,463
Total receipts	510,943	120,301	1,062,004	287,155	-	-	23,463
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	410,985	-	-	-	-	-	-
Debt service - principal and interest	-	120,210	1,061,184	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	262,155	-	-	-
Total disbursements	410,985	120,210	1,061,184	262,155	-	-	-
Excess (deficiency) of receipts over disbursements	99,958	91	820	25,000	-	-	23,463
Cash and investments - ending	\$ 445,219	\$ 1,043	\$ 8,627	\$ 156,078	\$ 1,061,190	\$ 870,000	\$ 82,068

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

	Aviation Fuel Trust	Wastewater Lease BD 2005/payment	Payroll	Employee Benefit Trust	Wastewater Operating	Wastewater Depreciation	Totals
Cash and investments - beginning	\$ 56,840	\$ 151,025	\$ 161,319	\$ 63,857	\$ 6,524,598	\$ 1,045,271	\$ 34,083,788
Receipts:							
Taxes	-	-	-	-	-	-	12,626,108
Licenses and permits	-	-	-	-	-	-	47,438
Intergovernmental	-	-	-	-	-	-	4,199,708
Charges for services	2,877,980	-	-	-	-	-	3,697,551
Fines and forfeits	-	-	-	-	-	-	22,539
Utility fees	-	-	-	-	5,515,485	-	5,515,485
Other receipts	-	866,525	8,434,598	100,848	1,332,933	2,255,000	25,578,308
Total receipts	<u>2,877,980</u>	<u>866,525</u>	<u>8,434,598</u>	<u>100,848</u>	<u>6,848,418</u>	<u>2,255,000</u>	<u>51,687,137</u>
Disbursements:							
Personal services	-	-	-	-	-	-	10,179,569
Supplies	2,395,480	-	-	-	-	-	3,559,285
Other services and charges	503,929	-	-	143,633	-	-	6,850,701
Debt service - principal and interest	-	866,000	-	-	2,070,836	-	4,467,719
Capital outlay	-	-	-	-	-	2,806,343	5,964,219
Utility operating expenses	-	-	-	-	3,384,766	144,217	3,528,983
Other disbursements	-	-	8,423,735	-	2,594,508	-	12,817,125
Total disbursements	<u>2,899,409</u>	<u>866,000</u>	<u>8,423,735</u>	<u>143,633</u>	<u>8,050,110</u>	<u>2,950,560</u>	<u>47,367,601</u>
Excess (deficiency) of receipts over disbursements	<u>(21,429)</u>	<u>525</u>	<u>10,863</u>	<u>(42,785)</u>	<u>(1,201,692)</u>	<u>(695,560)</u>	<u>4,319,536</u>
Cash and investments - ending	<u>\$ 35,411</u>	<u>\$ 151,550</u>	<u>\$ 172,182</u>	<u>\$ 21,072</u>	<u>\$ 5,322,906</u>	<u>\$ 349,711</u>	<u>\$ 38,403,324</u>

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 308,152	\$ -
Wastewater	129,341	-
Totals	\$ 437,493	\$ -

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lake City Bank	2005 Dump Trucks/Street Dept.	\$ 15,458	10-25-05	04-25-12
PNC Bank	2006 Dump Trucks/Street Dept.	<u>35,742</u>	10-15-06	04-15-13
Total governmental activities		<u>51,200</u>		
Wastewater:				
Lake City Bank	Combination Sewer Cleaner	<u>31,728</u>	07-06-07	04-15-12
Total of annual lease payments		<u><u>\$ 82,928</u></u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	General Obligation Bond 2008	\$ 790,000	\$ 259,475
Revenue bonds	Special Taxing District Bonds 2011	1,255,000	97,059
Revenue bonds	Taxable Economic Development Bonds 2000	1,375,000	227,600
Notes and loans payable	Brownsfield Clean-Up	5,014	5,090
Notes and loans payable	Brownsfield Clean-Up	<u>19,064</u>	<u>19,353</u>
Total governmental activities		<u>3,444,078</u>	<u>4,052,655</u>
Wastewater:			
Revenue bonds	Lease Rental Refunding Revenue Bonds Series 2005	8,115,000	867,000
Revenue bonds	Sewage Works Revenue Bonds 2008	2,710,000	120,210
Revenue bonds	Sewage Works Revenue Bond 2011	<u>4,700,000</u>	<u>153,689</u>
Total Wastewater		<u>15,525,000</u>	<u>16,665,899</u>
Totals		<u><u>\$ 18,969,078</u></u>	<u><u>\$ 1,749,476</u></u>

CITY OF WARSAW
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	\$ 4,502,305
Infrastructure	50,397,363
Buildings	4,948,681
Improvements other than buildings	6,272,139
Machinery, equipment and vehicles	13,190,111
Construction in progress	<u>3,091,933</u>
Total governmental activities	<u>82,402,532</u>
Wastewater:	
Land	239,706
Buildings	18,036,007
Improvements other than buildings	32,026,594
Machinery, equipment and vehicles	1,763,211
Construction in progress	<u>2,781,198</u>
Total Wastewater	<u>54,846,716</u>
Total capital assets	<u>\$ 137,249,248</u>

CITY OF WARSAW
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2012 with Joseph M. Thallemer, Mayor; Cindy Dobbins, Council member; and Lynne Christiansen, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.