

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF BATESVILLE

RIPLEY COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
10/17/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ronald C. Weigel	01-01-08 to 12-31-15
Mayor	Richard C. Fledderman	01-01-08 to 12-31-15
President of the Board of Public Works	Richard C. Fledderman	01-01-08 to 12-31-15
President of the Common Council	Herman Struewing Gene Lambert	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Chairman of the Utility Service Board	Sue A. Seifert	01-01-11 to 12-31-12
Comptroller of Gas and Water Utilities	Douglas Browne	01-01-11 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF BATESVILLE, RIPLEY COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Batesville (City), for the year ended December 31, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement 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.

Our examination 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 Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, Common Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 28, 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 BATESVILLE
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	\$ 449,747	\$ 2,434,076	\$ 2,641,680	\$ 242,143
MVH	90,114	862,975	808,534	144,555
LRS	135,410	26,604	51,325	110,689
EMS Fund	583,711	225,717	284,391	525,037
LLECE	11,321	6,284	3,788	13,817
City - Deferral Program	627	110	-	737
Riverboat Revenue	385,128	67,325	171,748	280,705
Park And Recreation	41,435	172,366	198,359	15,442
Rainy Day Fund	587,190	-	-	587,190
Levy Excess Fund	6,737	-	6,737	-
CCDF	293,298	151,283	173,398	271,183
Cum Fire Equipment	880,609	64,383	516,899	428,093
CCIF	168,410	17,325	17,611	168,124
Stormwater Utility Fund	87,740	76,540	31,593	132,687
Police Pension	99,839	62,760	64,166	98,433
Operation Pullover	-	16,985	15,674	1,311
Batesville Tree Fund	8,654	-	2,320	6,334
Police Donation Fund	24	-	-	24
Memorial Pool	45,145	100,905	101,457	44,593
EDMI	228,400	-	1,100	227,300
Police Ed - User Fee	18,301	1,571	1,424	18,448
City Court Misc Fund	25,663	-	7,374	18,289
Clerk's Record Perp Fund	15,984	1,930	-	17,914
Microenterprise Assistance Fund	260	-	-	260
Sesquicentennial Park	63	-	52	11
Safe Passage Fund	1	-	1	-
Mayor's Youth Council	8,726	1,920	2,606	8,040
Baseball/Softball Complex	85,186	195,732	218,197	62,721
School Resource Officer	4,181	21,135	23,555	1,761
Ivy Tech Fund	12,184	-	-	12,184
Memorial Building Fund	17,488	6,240	19,938	3,790
Edit Tax Fund	2,121,649	332,682	558,847	1,895,484
Belterra Funds	52,620	72,522	58,108	67,034
Public Trust Agency Fund	17,697	-	-	17,697
Brum Funds	162,011	-	2,759	159,252
Playground Equipment Fund	146	500	580	66
Butterfly Garden Fund	1,099	-	-	1,099
Microenterprise Inv. Fund	12,829	13	-	12,842
City General Grant Fund	-	58,073	51,592	6,481
Cum Thoroughfare	160,354	-	-	160,354
Facade Imp & Renovation	54,598	-	20,871	33,727
Gas & Water Retirement	6,050	10,811	8,956	7,905
Payroll Fund	74,466	4,720,866	4,753,843	41,489
Sewage Inspection Fees	-	67,107	67,107	-
Cobra & Retired Employee Insurance	3,817	8,702	7,977	4,542
City Court Fund	4,710	70,730	73,922	1,518
Sewage M&O	987,762	2,019,202	1,908,271	1,098,693
Sewage Improvement	926,262	61,307	-	987,569
Sewage Sinking	140	776,145	776,285	-
Sewage Debt Reserve	776,935	-	-	776,935
Water Special/Depreciation	369,379	-	369,379	-
Water Utility M&O	18,685	1,942,180	1,243,375	717,490
Water Utility Meter Deposits	28,000	14,744	14,000	28,744
W&G Clearing Account	181,333	6,649,154	6,782,892	47,595
Gas Special/Depreciation	2,504,855	-	2,504,855	-
Gas Utility - Cash M&O	16,318	6,062,064	2,749,150	3,329,232
Gas Utility Meter Deposits	25,500	12,642	12,400	25,742
Totals	<u>\$ 12,798,791</u>	<u>\$ 27,393,610</u>	<u>\$ 27,329,096</u>	<u>\$ 12,863,305</u>

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

CITY OF BATESVILLE
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, gas, storm water, trash, 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 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, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

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

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received

CITY OF BATESVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

Penalties which include fees received for late payments.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements 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 BATESVILLE
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 BATESVILLE
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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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 BATESVILLE
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. 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.

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

	General Fund	MVH	LRS	EMS Fund	LLECE	City - Deferral Program
Cash and investments - beginning	\$ 449,747	\$ 90,114	\$ 135,410	\$ 583,711	\$ 11,321	\$ 627
Receipts:						
Taxes	1,929,759	652,213	-	-	-	-
Licenses and permits	23,770	666	-	-	1,910	-
Intergovernmental	94,497	209,780	26,604	-	-	-
Charges for services	255,164	-	-	225,691	825	-
Fines and forfeits	11,207	-	-	-	3,549	110
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	119,679	316	-	26	-	-
Total receipts	<u>2,434,076</u>	<u>862,975</u>	<u>26,604</u>	<u>225,717</u>	<u>6,284</u>	<u>110</u>
Disbursements:						
Personal services	1,751,986	452,917	-	194,333	-	-
Supplies	99,951	94,037	-	24,692	-	-
Other services and charges	642,802	247,576	-	63,191	752	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	66,859	14,004	51,325	2,175	3,036	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	80,082	-	-	-	-	-
Total disbursements	<u>2,641,680</u>	<u>808,534</u>	<u>51,325</u>	<u>284,391</u>	<u>3,788</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(207,604)</u>	<u>54,441</u>	<u>(24,721)</u>	<u>(58,674)</u>	<u>2,496</u>	<u>110</u>
Cash and investments - ending	<u>\$ 242,143</u>	<u>\$ 144,555</u>	<u>\$ 110,689</u>	<u>\$ 525,037</u>	<u>\$ 13,817</u>	<u>\$ 737</u>

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

	Riverboat Revenue	Park And Recreation	Rainy Day Fund	Levy Excess Fund	CCDF	Cum Fire Equipment
Cash and investments - beginning	\$ 385,128	\$ 41,435	\$ 587,190	\$ 6,737	\$ 293,298	\$ 880,609
Receipts:						
Taxes	-	146,186	-	-	133,127	54,412
Licenses and permits	-	-	-	-	-	-
Intergovernmental	67,325	11,446	-	-	18,156	4,260
Charges for services	-	9,105	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	5,629	-	-	-	5,711
Total receipts	<u>67,325</u>	<u>172,366</u>	<u>-</u>	<u>-</u>	<u>151,283</u>	<u>64,383</u>
Disbursements:						
Personal services	-	136,431	-	-	-	-
Supplies	-	16,231	-	-	-	-
Other services and charges	-	42,550	-	-	-	1,040
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	40,688	3,097	-	-	173,398	515,859
Utility operating expenses	-	-	-	-	-	-
Other disbursements	131,060	50	-	6,737	-	-
Total disbursements	<u>171,748</u>	<u>198,359</u>	<u>-</u>	<u>6,737</u>	<u>173,398</u>	<u>516,899</u>
Excess (deficiency) of receipts over disbursements	<u>(104,423)</u>	<u>(25,993)</u>	<u>-</u>	<u>(6,737)</u>	<u>(22,115)</u>	<u>(452,516)</u>
Cash and investments - ending	<u>\$ 280,705</u>	<u>\$ 15,442</u>	<u>\$ 587,190</u>	<u>\$ -</u>	<u>\$ 271,183</u>	<u>\$ 428,093</u>

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

	CCIF	Stormwater Utility Fund	Police Pension	Operation Pullover	Batesville Tree Fund	Police Donation Fund
Cash and investments - beginning	\$ 168,410	\$ 87,740	\$ 99,839	\$ -	\$ 8,654	\$ 24
Receipts:						
Taxes	-	-	62,760	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	17,325	-	-	-	-	-
Charges for services	-	76,540	-	16,985	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>17,325</u>	<u>76,540</u>	<u>62,760</u>	<u>16,985</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	64,166	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	24,178	-	15,674	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	17,611	7,415	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	2,320	-
Total disbursements	<u>17,611</u>	<u>31,593</u>	<u>64,166</u>	<u>15,674</u>	<u>2,320</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(286)</u>	<u>44,947</u>	<u>(1,406)</u>	<u>1,311</u>	<u>(2,320)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 168,124</u>	<u>\$ 132,687</u>	<u>\$ 98,433</u>	<u>\$ 1,311</u>	<u>\$ 6,334</u>	<u>\$ 24</u>

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

	Memorial Pool	EDMI	Police Ed - User Fee	City Court Misc Fund	Clerk's Record Perp Fund	Microenterprise Assistance Fund
Cash and investments - beginning	\$ 45,145	\$ 228,400	\$ 18,301	\$ 25,663	\$ 15,984	\$ 260
Receipts:						
Taxes	60,578	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,743	-	-	-	-	-
Charges for services	35,584	-	-	-	1,930	-
Fines and forfeits	-	-	1,571	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>100,905</u>	<u>-</u>	<u>1,571</u>	<u>-</u>	<u>1,930</u>	<u>-</u>
Disbursements:						
Personal services	58,082	-	-	-	-	-
Supplies	22,968	-	-	-	-	-
Other services and charges	19,010	1,100	1,424	7,374	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,397	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>101,457</u>	<u>1,100</u>	<u>1,424</u>	<u>7,374</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(552)</u>	<u>(1,100)</u>	<u>147</u>	<u>(7,374)</u>	<u>1,930</u>	<u>-</u>
Cash and investments - ending	<u>\$ 44,593</u>	<u>\$ 227,300</u>	<u>\$ 18,448</u>	<u>\$ 18,289</u>	<u>\$ 17,914</u>	<u>\$ 260</u>

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

	Sesquicentennial Park	Safe Passage Fund	Mayor's Youth Council	Baseball/Softball Complex	School Resource Officer	Ivy Tech Fund
Cash and investments - beginning	\$ 63	\$ 1	\$ 8,726	\$ 85,186	\$ 4,181	\$ 12,184
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	21,135	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	1,920	195,732	-	-
Total receipts	-	-	1,920	195,732	21,135	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	52	1	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	2,606	218,197	23,555	-
Total disbursements	52	1	2,606	218,197	23,555	-
Excess (deficiency) of receipts over disbursements	(52)	(1)	(686)	(22,465)	(2,420)	-
Cash and investments - ending	\$ 11	\$ -	\$ 8,040	\$ 62,721	\$ 1,761	\$ 12,184

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

	Memorial Building Fund	Edit Tax Fund	Belterra Funds	Public Trust Agency Fund	Brum Funds	Playground Equipment Fund
Cash and investments - beginning	\$ 17,488	\$ 2,121,649	\$ 52,620	\$ 17,697	\$ 162,011	\$ 146
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	295,672	72,522	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	6,240	37,011	-	-	-	500
Total receipts	<u>6,240</u>	<u>332,682</u>	<u>72,522</u>	<u>-</u>	<u>-</u>	<u>500</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	386	-	-	-	-
Other services and charges	-	79,513	-	-	-	580
Debt service - principal and interest	-	271,924	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	19,938	207,023	58,107	-	2,759	-
Total disbursements	<u>19,938</u>	<u>558,847</u>	<u>58,108</u>	<u>-</u>	<u>2,759</u>	<u>580</u>
Excess (deficiency) of receipts over disbursements	<u>(13,698)</u>	<u>(226,165)</u>	<u>14,414</u>	<u>-</u>	<u>(2,759)</u>	<u>(80)</u>
Cash and investments - ending	<u>\$ 3,790</u>	<u>\$ 1,895,484</u>	<u>\$ 67,034</u>	<u>\$ 17,697</u>	<u>\$ 159,252</u>	<u>\$ 66</u>

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

	Butterfly Garden Fund	Microenterprise Inv. Fund	City General Grant Fund	Cum Thoroughfare	Facade Imp & Renovation	Gas & Water Retirement
Cash and investments - beginning	\$ 1,099	\$ 12,829	\$ -	\$ 160,354	\$ 54,598	\$ 6,050
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	18,157	-	-	-
Charges for services	-	-	39,916	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	13	-	-	-	10,811
Total receipts	-	13	58,073	-	-	10,811
Disbursements:						
Personal services	-	-	-	-	-	8,955
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	20,871	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	51,592	-	-	1
Total disbursements	-	-	51,592	-	20,871	8,956
Excess (deficiency) of receipts over disbursements	-	13	6,481	-	(20,871)	1,855
Cash and investments - ending	\$ 1,099	\$ 12,842	\$ 6,481	\$ 160,354	\$ 33,727	\$ 7,905

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

	Payroll Fund	Sewage Inspection Fees	Cobra & Retired Employee Insurance	City Court Fund	Sewage M&O	Sewage Improvement
Cash and investments - beginning	\$ 74,466	\$ -	\$ 3,817	\$ 4,710	\$ 987,762	\$ 926,262
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	67,107	-	-	-	-
Fines and forfeits	-	-	-	70,730	-	-
Utility fees	-	-	-	-	1,905,421	61,307
Penalties	-	-	-	-	20,966	-
Other receipts	4,720,866	-	8,702	-	92,815	-
Total receipts	4,720,866	67,107	8,702	70,730	2,019,202	61,307
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	44,989	-
Utility operating expenses	-	-	-	-	1,026,704	-
Other disbursements	4,753,843	67,107	7,977	73,922	836,579	-
Total disbursements	4,753,843	67,107	7,977	73,922	1,908,271	-
Excess (deficiency) of receipts over disbursements	(32,977)	-	725	(3,192)	110,931	61,307
Cash and investments - ending	\$ 41,489	\$ -	\$ 4,542	\$ 1,518	\$ 1,098,693	\$ 987,569

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

	Sewage Sinking	Sewage Debt Reserve	Water Special/Depreciation	Water Utility M&O	Water Utility Meter Deposits
Cash and investments - beginning	\$ 140	\$ 776,935	\$ 369,379	\$ 18,685	\$ 28,000
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	1,386,593	14,700
Penalties	-	-	-	5,327	-
Other receipts	776,145	-	-	550,260	44
Total receipts	<u>776,145</u>	<u>-</u>	<u>-</u>	<u>1,942,180</u>	<u>14,744</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	776,285	-	-	-	-
Capital outlay	-	-	-	63,407	-
Utility operating expenses	-	-	-	844,918	-
Other disbursements	-	-	369,379	335,050	14,000
Total disbursements	<u>776,285</u>	<u>-</u>	<u>369,379</u>	<u>1,243,375</u>	<u>14,000</u>
Excess (deficiency) of receipts over disbursements	<u>(140)</u>	<u>-</u>	<u>(369,379)</u>	<u>698,805</u>	<u>744</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 776,935</u>	<u>\$ -</u>	<u>\$ 717,490</u>	<u>\$ 28,744</u>

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

	W&G Clearing Account	Gas Special/Depreciation	Gas Utility - Cash M&O	Gas Utility Meter Deposits	Totals
Cash and investments - beginning	\$ 181,333	\$ 2,504,855	\$ 16,318	\$ 25,500	\$ 12,798,791
Receipts:					
Taxes	-	-	-	-	3,039,035
Licenses and permits	-	-	-	-	26,346
Intergovernmental	-	-	-	-	840,487
Charges for services	6,649,154	-	-	-	7,399,136
Fines and forfeits	-	-	-	-	87,167
Utility fees	-	-	2,992,168	12,600	6,372,789
Penalties	-	-	12,420	-	38,713
Other receipts	-	-	3,057,476	42	9,589,937
Total receipts	<u>6,649,154</u>	<u>-</u>	<u>6,062,064</u>	<u>12,642</u>	<u>27,393,610</u>
Disbursements:					
Personal services	-	-	-	-	2,666,870
Supplies	-	-	-	-	258,265
Other services and charges	-	-	-	-	1,167,688
Debt service - principal and interest	-	-	-	-	1,048,209
Capital outlay	-	-	78,217	-	1,083,477
Utility operating expenses	-	-	2,657,953	-	4,529,575
Other disbursements	6,782,892	2,504,855	12,980	12,400	16,575,012
Total disbursements	<u>6,782,892</u>	<u>2,504,855</u>	<u>2,749,150</u>	<u>12,400</u>	<u>27,329,096</u>
Excess (deficiency) of receipts over disbursements	<u>(133,738)</u>	<u>(2,504,855)</u>	<u>3,312,914</u>	<u>242</u>	<u>64,514</u>
Cash and investments - ending	<u>\$ 47,595</u>	<u>\$ -</u>	<u>\$ 3,329,232</u>	<u>\$ 25,742</u>	<u>\$ 12,863,305</u>

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

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Land Purchase for Economic Development	\$ 2,000,000	\$ 182,670
General obligation bonds	Refund Building Corp. Bonds to provide Savings to City	<u>85,000</u>	<u>88,400</u>
Total governmental activities		<u>2,085,000</u>	<u>271,070</u>
Wastewater:			
Revenue bonds	Sewage Works Project	4,370,000	585,430
Revenue bonds	Sewage Works Project	<u>1,415,000</u>	<u>190,185</u>
Total Wastewater		<u>5,785,000</u>	<u>775,615</u>
Totals		<u>\$ 7,870,000</u>	<u>\$ 1,046,685</u>

CITY OF BATESVILLE
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:	
Infrastructure	\$ 22,160,052
Buildings	3,560,223
Improvements other than buildings	1,820,962
Machinery, equipment and vehicles	3,184,073
Construction in progress	26,237
Total governmental activities	30,751,547
Wastewater:	
Infrastructure	26,163,539
Buildings	1,054,648
Improvements other than buildings	151,625
Machinery, equipment and vehicles	683,966
Total Wastewater	28,053,778
Water:	
Infrastructure	5,533,137
Buildings	2,808,695
Machinery, equipment and vehicles	494,236
Books and other	3,554,121
Total Water	12,390,189
Gas:	
Infrastructure	6,376,066
Buildings	492,666
Machinery, equipment and vehicles	715,134
Books and other	326,657
Total Gas	7,910,523
Total capital assets	\$ 79,106,037

CITY OF BATESVILLE
EXAMINATION RESULT AND COMMENT

UNPAID LOANS FROM GAS UTILITY

The Gas Utility has made loans to the Water Utility over the past several years. The balance of the unpaid loans at December 31, 2011, was \$1,660,000 as shown in the following schedule:

<u>Year of Loan</u>	<u>Number of Years Outstanding</u>	<u>Amount</u>
2001	10	\$ 239,535
2003	8	1,165,365
2004	7	<u>255,100</u>
Total		<u>\$ 1,660,000</u>

Payments totaling \$240,000 were made on the unpaid loans during the year 2011. The payments were applied to an outstanding loan obtained in the year 2000 and a portion of the 2011 loan balance shown in the above schedule.

Indiana Code 8-1.5-3-11 (f) states: "A cash reserve fund, if authorized by ordinance, may be used to make loans to another utility owned by the same municipality, for periods not to exceed five (5) years, at any interest rate. The repayment of the loan and interest shall be returned to the cash reserve fund."

A similar comment was made in prior Reports B35195, B37682, and B39736.

CITY OF BATESVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2012, with Richard C. Fledderman, Mayor, and Ronald C. Weigel, Clerk-Treasurer.