

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF RUSHVILLE  
RUSH COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
07/18/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ann L. Copley	01-01-12 to 12-31-19
Mayor	Michael P. Pavey	01-01-12 to 12-31-19
President of the Board of Public Works	Michael P. Pavey	01-01-12 to 12-31-19
President Pro Tempore of the Common Council	Robert M. Bridges	01-01-15 to 12-31-17
Superintendent of Utilities	Les Day	01-01-15 to 12-31-17
Utility Office Manager	Gina Jenkins	01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF RUSHVILLE, RUSH COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Rushville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2015.

***Opinion on Regulatory Basis of Accounting***

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, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2017, 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* in considering the City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2017



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INDEPENDENT AUDITOR'S 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 RUSHVILLE, RUSH COUNTY, INDIANA

We have audited, 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, the financial statement of the City of Rushville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated May 10, 2017, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S 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 is 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002.

**City of Rushville's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2017

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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 RUSHVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 1,625,679	\$ 4,742,897	\$ 4,742,363	\$ 1,626,213
Mvh	183,118	532,166	537,753	177,531
Local Roads & Street	22,581	19,919	16,255	26,245
Park & Rec Nonreverting	20,390	34,249	40,711	13,928
EMS Non Reverting	26,225	124,172	129,562	20,835
Abandon Vehicles	1,365	-	365	1,000
16th Street Grant	10	43,111	43,121	-
Lece	8,982	7,039	6,635	9,386
Unsafe Building	37,093	87,079	45,390	78,782
Rainy Day	275,089	75,813	17,245	333,657
K-9	8,012	2,900	2,398	8,514
Tif #1	461,246	639,814	516,996	584,064
Cum Cap Development	94,124	64,207	78,195	80,136
Levee Grant	-	6,205	6,205	-
Cedit	188,616	369,045	278,327	279,334
Cum Cap Improvement	33,931	16,018	-	49,949
TIF #4	641	454	-	1,095
Police Pension	319,145	173,909	187,659	305,395
Fire Pension	260,936	93,867	96,496	258,307
Child Restraint Grant	340	-	-	340
RFD NR	8,998	8,787	16,821	964
DARE NR	549	-	-	549
Asset Forfeiture	492	41,980	10,800	31,672
Debt Service	41,690	90,620	89,308	43,002
Rushville Historic Fund	250	25	-	275
RBEG Grant	12,180	20,683	25,000	7,863
Senior Citizens Grant Project	-	3,350	3,350	-
Animal Shelter Non-Reverting Fund	30,022	20,790	2,854	47,958
NIP Matching Funds	750,355	684,056	1,434,410	1
TIF #2	2,019	1,166	-	3,185
TIF #3	1,030	620	1,619	31
Comprehensive Plan Grant	-	15,552	15,552	-
Blight Elimination Program	-	42,000	42,000	-
Rail Crossing Grant	-	35,059	3,218	31,841
Downtown Enhancement Grant	-	9,167	8,603	564
Cash Change	75	-	-	75
Donations	22,610	98,892	58,226	63,276
Rcva Shelter Project	2,161	-	-	2,161
Build Indiana Community Center	134,477	303	40,005	94,775
Ojp Vest Grant	1,983	723	1,711	995
Operation Pullover Grant	56	5,124	5,124	56
Tobacco Enforcement Grant	500	-	500	-
Electric Liquidation	598,735	125,193	408,809	315,119
Community Improvement Redevelopment	22,026	62	39	22,049
21st Century	49,299	6,503	19,010	36,792
Intat Storm Sewer	317	-	-	317
Idfa Ametiech	21,596	-	-	21,596
Brownfield Petro Grant Ss	19,669	-	-	19,669
Sanitation Nonreverting	1,977	24,556	13,389	13,144
Booker T Washington Nonreverting	12,122	18,006	16,908	13,220
Forfeiture	1,273	5,776	1,448	5,601
Federal Deposit	2	-	-	2
Fiber Optic Fund	83,220	3,204	1,283	85,141
Criminal Invest Fund Nr	2,197	3,276	3,588	1,885
Fire & Police Pension Trust	225,804	413	-	226,217
Payroll	64,996	2,603,637	2,603,774	64,859
Utility Payroll	3,613	488,544	489,522	2,635
Bond Cash Acct BNY	-	2,452,784	2,452,784	-
Wastewater Utility Cash Drawer	63	-	-	63
Wastewater Utility Petty Cash	625	-	-	625
Debt Service Reserve BNY	279,830	32,081	-	311,911
WWT Retainage Account	156,478	192,510	-	348,988
SRF Sinking Fund BNY	116,592	112,536	61,940	167,188
SRF Disbursements	-	1,079,359	1,079,359	-
Wastewater Revenue	251,069	1,601,804	1,621,101	231,772
Wastewater Depreciation	530,770	300,000	98,910	731,860
Wastewater Construction	644	-	-	644
Wastewater Sinking	31,416	239,724	244,788	26,352
Transit Operation	317	127,831	127,498	650
Water Operating	127,236	1,027,395	997,040	157,591
Water Debt Service Reserve	154,272	-	-	154,272
Water Depreciation	258,807	50,000	46,433	262,374
Water Meter Deposit	165,613	31,320	24,475	172,458
Water Construction	11,619	-	11,619	-
Water Sinking	20,582	234,555	232,881	22,256
<b>Totals</b>	<b>\$ 7,789,749</b>	<b>\$ 18,872,830</b>	<b>\$ 19,061,375</b>	<b>\$ 7,601,204</b>

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

CITY OF RUSHVILLE  
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, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF RUSHVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received 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.* Amounts received from charges for current services.

*Other receipts.* Amounts received from various sources, including, but 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.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for 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.

CITY OF RUSHVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 RUSHVILLE  
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, the following: 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.

**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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF RUSHVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

CITY OF RUSHVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Plan Description*

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

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

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

Indiana Public Retirement System  
One North Capitol, 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. Subsequent Events**

On April 26, 2017, the City entered into the Bond Anticipation Notes, Series 2017 in the amount of \$715,000. The proceeds of this note were used to finance a portion of the Overlook project, program management fee, and cost of issuance.

On April 26, 2017, the City entered into the Redevelopment District Bond Anticipation Notes, Series 2017 in the amount of \$1,080,000. The proceeds of this note were used to finance a portion of the Downtown, Neighborhood, Flat Rock, and Morgan Street projects.

On April 26, 2017, the City entered into the Park District Bond Anticipation Notes, Series 2017 in the amount of \$1,080,000. The proceeds of this note were used to finance a portion of the Overlook project, program management fee, and cost of issuance.

**Note 8. Other Postemployment Benefits**

The City provides to eligible retirees and their spouses medical insurance benefits. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial 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 City's Annual Financial Report 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 other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	General	Mvh	Local Roads & Street	Park & Rec Nonreverting	EMS Non Reverting	Abandon Vehicles	16th Street Grant
Cash and investments - beginning	\$ 1,625,679	\$ 183,118	\$ 22,581	\$ 20,390	\$ 26,225	\$ 1,365	\$ 10
Receipts:							
Taxes	3,051,493	227,284	-	-	-	-	-
Licenses and permits	33,352	-	-	-	-	-	-
Intergovernmental receipts	1,464,568	300,701	19,859	-	-	-	-
Charges for services	24,525	3,738	-	34,044	124,076	-	-
Fines and forfeits	4,403	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	164,556	443	60	205	96	-	43,111
Total receipts	<u>4,742,897</u>	<u>532,166</u>	<u>19,919</u>	<u>34,249</u>	<u>124,172</u>	<u>-</u>	<u>43,111</u>
Disbursements:							
Personal services	2,976,992	296,493	-	3,580	29,043	-	-
Supplies	243,512	99,625	-	11,893	41,952	-	-
Other services and charges	1,232,829	121,635	16,255	25,238	15,112	365	43,121
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	117,284	20,000	-	-	43,455	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	171,746	-	-	-	-	-	-
Total disbursements	<u>4,742,363</u>	<u>537,753</u>	<u>16,255</u>	<u>40,711</u>	<u>129,562</u>	<u>365</u>	<u>43,121</u>
Excess (deficiency) of receipts over disbursements	<u>534</u>	<u>(5,587)</u>	<u>3,664</u>	<u>(6,462)</u>	<u>(5,390)</u>	<u>(365)</u>	<u>(10)</u>
Cash and investments - ending	<u>\$ 1,626,213</u>	<u>\$ 177,531</u>	<u>\$ 26,245</u>	<u>\$ 13,928</u>	<u>\$ 20,835</u>	<u>\$ 1,000</u>	<u>\$ -</u>

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Lece	Unsafe Building	Rainy Day	K-9	Tif #1	Cum Cap Development	Levee Grant
Cash and investments - beginning	\$ 8,982	\$ 37,093	\$ 275,089	\$ 8,012	\$ 461,246	\$ 94,124	\$ -
Receipts:							
Taxes	-	-	-	-	412,872	58,402	-
Licenses and permits	3,520	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	5,621	-
Charges for services	2,413	29,605	-	-	-	-	-
Fines and forfeits	1,080	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	26	57,474	75,813	2,900	226,942	184	6,205
Total receipts	7,039	87,079	75,813	2,900	639,814	64,207	6,205
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,261	750	-	1,398	-	-	-
Other services and charges	5,374	44,017	17,245	1,000	143,987	25,078	6,205
Debt service - principal and interest	-	-	-	-	123,884	-	-
Capital outlay	-	-	-	-	249,125	46,465	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	623	-	-	-	6,652	-
Total disbursements	6,635	45,390	17,245	2,398	516,996	78,195	6,205
Excess (deficiency) of receipts over disbursements	404	41,689	58,568	502	122,818	(13,988)	-
Cash and investments - ending	\$ 9,386	\$ 78,782	\$ 333,657	\$ 8,514	\$ 584,064	\$ 80,136	\$ -

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Cedit	Cum Cap Improvement	TIF #4	Police Pension	Fire Pension	Child Restraint Grant	RFD NR
Cash and investments - beginning	\$ 188,616	\$ 33,931	\$ 641	\$ 319,145	\$ 260,936	\$ 340	\$ 8,998
Receipts:							
Taxes	-	-	383	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	327,411	15,927	-	-	-	-	-
Charges for services	-	-	-	-	-	-	8,619
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	41,634	91	71	173,909	93,867	-	168
Total receipts	<u>369,045</u>	<u>16,018</u>	<u>454</u>	<u>173,909</u>	<u>93,867</u>	<u>-</u>	<u>8,787</u>
Disbursements:							
Personal services	-	-	-	187,568	95,997	-	-
Supplies	491	-	-	-	399	-	-
Other services and charges	201,586	-	-	91	100	-	16,821
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	76,250	-	-	-	-	-	-
Total disbursements	<u>278,327</u>	<u>-</u>	<u>-</u>	<u>187,659</u>	<u>96,496</u>	<u>-</u>	<u>16,821</u>
Excess (deficiency) of receipts over disbursements	<u>90,718</u>	<u>16,018</u>	<u>454</u>	<u>(13,750)</u>	<u>(2,629)</u>	<u>-</u>	<u>(8,034)</u>
Cash and investments - ending	<u>\$ 279,334</u>	<u>\$ 49,949</u>	<u>\$ 1,095</u>	<u>\$ 305,395</u>	<u>\$ 258,307</u>	<u>\$ 340</u>	<u>\$ 964</u>

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	DARE NR	Asset Forfeiture	Debt Service	Rushville Historic Fund	RBEG Grant	Senior Citizens Grant Project	Animal Shelter Non-Reverting Fund
Cash and investments - beginning	\$ 549	\$ 492	\$ 41,690	\$ 250	\$ 12,180	\$ -	\$ 30,022
Receipts:							
Taxes	-	-	84,670	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	5,946	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	41,937	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	43	4	25	20,683	3,350	20,790
Total receipts	-	41,980	90,620	25	20,683	3,350	20,790
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	10,800	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	2,854
Debt service - principal and interest	-	-	89,308	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	25,000	3,350	-
Total disbursements	-	10,800	89,308	-	25,000	3,350	2,854
Excess (deficiency) of receipts over disbursements	-	31,180	1,312	25	(4,317)	-	17,936
Cash and investments - ending	\$ 549	\$ 31,672	\$ 43,002	\$ 275	\$ 7,863	\$ -	\$ 47,958

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	NIP Matching Funds	TIF #2	TIF #3	Comprehensive Plan Grant	Blight Elimination Program	Rail Crossing Grant	Downtown Enhancement Grant
Cash and investments - beginning	\$ 750,355	\$ 2,019	\$ 1,030	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	1,166	620	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	684,056	-	-	15,552	42,000	35,059	9,167
Total receipts	684,056	1,166	620	15,552	42,000	35,059	9,167
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	3,218	-
Other services and charges	81,390	-	-	15,552	-	-	8,603
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,127,076	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	225,944	-	1,619	-	42,000	-	-
Total disbursements	1,434,410	-	1,619	15,552	42,000	3,218	8,603
Excess (deficiency) of receipts over disbursements	(750,354)	1,166	(999)	-	-	31,841	564
Cash and investments - ending	\$ 1	\$ 3,185	\$ 31	\$ -	\$ -	\$ 31,841	\$ 564

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Cash Change	Donations	Rcva Shelter Project	Build Indiana Community Center	Ojp Vest Grant	Operation Pullover Grant	Tobacco Enforcement Grant
Cash and investments - beginning	\$ 75	\$ 22,610	\$ 2,161	\$ 134,477	\$ 1,983	\$ 56	\$ 500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	98,892	-	303	723	5,124	-
Total receipts	-	98,892	-	303	723	5,124	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	40,005	1,711	-	500
Other services and charges	-	-	-	-	-	5,124	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	58,226	-	-	-	-	-
Total disbursements	-	58,226	-	40,005	1,711	5,124	500
Excess (deficiency) of receipts over disbursements	-	40,666	-	(39,702)	(988)	-	(500)
Cash and investments - ending	\$ 75	\$ 63,276	\$ 2,161	\$ 94,775	\$ 995	\$ 56	\$ -

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Electric Liquidation	Community Improvement Redevelopment	21St Century	Intat Storm Sewer	Idfa Ametiech	Brownfield Petro Grant Ss	Sanitation Nonreverting
Cash and investments - beginning	\$ 598,735	\$ 22,026	\$ 49,299	\$ 317	\$ 21,596	\$ 19,669	\$ 1,977
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	350
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	6,400	-	-	-	24,178
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	125,193	62	103	-	-	-	28
Total receipts	<u>125,193</u>	<u>62</u>	<u>6,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,556</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	39	17,975	-	-	-	13,389
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	408,809	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,035	-	-	-	-
Total disbursements	<u>408,809</u>	<u>39</u>	<u>19,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,389</u>
Excess (deficiency) of receipts over disbursements	<u>(283,616)</u>	<u>23</u>	<u>(12,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,167</u>
Cash and investments - ending	<u>\$ 315,119</u>	<u>\$ 22,049</u>	<u>\$ 36,792</u>	<u>\$ 317</u>	<u>\$ 21,596</u>	<u>\$ 19,669</u>	<u>\$ 13,144</u>

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Booker T Washington Nonreverting	Forfeiture	Federal Deposit	Fiber Optic Fund	Criminal Invest Fund Nr	Fire & Police Pension Trust	Payroll
Cash and investments - beginning	\$ 12,122	\$ 1,273	\$ 2	\$ 83,220	\$ 2,197	\$ 225,804	\$ 64,996
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	11,200	-	-	3,000	-	-	-
Fines and forfeits	-	5,776	-	-	3,276	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,806	-	-	204	-	413	2,603,637
Total receipts	18,006	5,776	-	3,204	3,276	413	2,603,637
Disbursements:							
Personal services	-	-	-	-	-	-	2,603,774
Supplies	5,546	1,448	-	-	-	-	-
Other services and charges	11,362	-	-	1,283	3,588	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	16,908	1,448	-	1,283	3,588	-	2,603,774
Excess (deficiency) of receipts over disbursements	1,098	4,328	-	1,921	(312)	413	(137)
Cash and investments - ending	\$ 13,220	\$ 5,601	\$ 2	\$ 85,141	\$ 1,885	\$ 226,217	\$ 64,859

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Utility Payroll	Bond Cash Acct BNY	Wastewater Utility Cash Drawer	Wastewater Utility Petty Cash	Debt Service Reserve BNY	WWT Retainage Account	SRF Sinking Fund BNY
Cash and investments - beginning	\$ 3,613	\$ -	\$ 63	\$ 625	\$ 279,830	\$ 156,478	\$ 116,592
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	488,544	2,452,784	-	-	32,081	192,510	112,536
Total receipts	488,544	2,452,784	-	-	32,081	192,510	112,536
Disbursements:							
Personal services	489,522	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	61,940
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	2,452,784	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	489,522	2,452,784	-	-	-	-	61,940
Excess (deficiency) of receipts over disbursements	(978)	-	-	-	32,081	192,510	50,596
Cash and investments - ending	\$ 2,635	\$ -	\$ 63	\$ 625	\$ 311,911	\$ 348,988	\$ 167,188

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SRF Disbursements	Wastewater Revenue	Wastewater Depreciation	Wastewater Construction	Wastewater Sinking	Transit Operation	Water Operating
Cash and investments - beginning	\$ -	\$ 251,069	\$ 530,770	\$ 644	\$ 31,416	\$ 317	\$ 127,236
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	1,600,755	-	-	-	127,831	1,026,580
Other receipts	1,079,359	1,049	300,000	-	239,724	-	815
Total receipts	<u>1,079,359</u>	<u>1,601,804</u>	<u>300,000</u>	<u>-</u>	<u>239,724</u>	<u>127,831</u>	<u>1,027,395</u>
Disbursements:							
Personal services	-	255,148	-	-	-	-	180,000
Supplies	-	-	-	-	-	-	-
Other services and charges	-	13,352	-	-	-	-	14,352
Debt service - principal and interest	-	-	-	-	244,788	-	-
Capital outlay	1,079,359	-	-	-	-	-	-
Utility operating expenses	-	552,617	98,910	-	-	-	341,444
Other disbursements	-	799,984	-	-	-	127,498	461,244
Total disbursements	<u>1,079,359</u>	<u>1,621,101</u>	<u>98,910</u>	<u>-</u>	<u>244,788</u>	<u>127,498</u>	<u>997,040</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(19,297)</u>	<u>201,090</u>	<u>-</u>	<u>(5,064)</u>	<u>333</u>	<u>30,355</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 231,772</u>	<u>\$ 731,860</u>	<u>\$ 644</u>	<u>\$ 26,352</u>	<u>\$ 650</u>	<u>\$ 157,591</u>

CITY OF RUSHVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Water Debt Service Reserve	Water Depreciation	Water Meter Deposit	Water Construction	Water Sinking	Totals
Cash and investments - beginning	\$ 154,272	\$ 258,807	\$ 165,613	\$ 11,619	\$ 20,582	\$ 7,789,749
Receipts:						
Taxes	-	-	-	-	-	3,836,890
Licenses and permits	-	-	-	-	-	37,222
Intergovernmental receipts	-	-	-	-	-	2,140,033
Charges for services	-	-	-	-	-	271,798
Fines and forfeits	-	-	-	-	-	56,472
Utility fees	-	-	31,320	-	-	2,786,486
Other receipts	-	50,000	-	-	234,555	9,743,929
Total receipts	-	50,000	31,320	-	234,555	18,872,830
Disbursements:						
Personal services	-	-	-	-	-	7,118,117
Supplies	-	-	-	-	-	464,509
Other services and charges	-	-	-	-	-	2,104,922
Debt service - principal and interest	-	-	-	-	232,881	752,801
Capital outlay	-	-	-	-	-	3,091,573
Utility operating expenses	-	46,433	-	11,619	-	3,503,807
Other disbursements	-	-	24,475	-	-	2,025,646
Total disbursements	-	46,433	24,475	11,619	232,881	19,061,375
Excess (deficiency) of receipts over disbursements	-	3,567	6,845	(11,619)	1,674	(188,545)
Cash and investments - ending	\$ 154,272	\$ 262,374	\$ 172,458	\$ -	\$ 22,256	\$ 7,601,204

CITY OF RUSHVILLE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2015

<u>Government or Enterprise</u>	Accounts Payable	Accounts Receivable
Wastewater	\$ 13,999	\$ 156,512
Water	35,880	93,372
Governmental activities	<u>25,795</u>	<u>-</u>
Totals	<u>\$ 75,674</u>	<u>\$ 249,884</u>

CITY OF RUSHVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Community State Bank	Purchase cots for ambulances	\$ 6,423	2/18/2014	2/1/2019
Republic First National Corporation	Purchase ambulances	<u>37,032</u>	9/15/2014	9/15/2017
Total governmental activities		<u>43,455</u>		
Total of annual lease payments		<u>\$ 43,455</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Purchase Equipment	\$ 495,000	\$ 94,038
Notes and loans payable	Electric Liquidation Loan to NIP	1,402,784	131,409
Notes and loans payable	Dump Truck Purchase	43,229	21,614
Notes and loans payable	Purchase Excavator	<u>45,000</u>	<u>15,950</u>
Total governmental activities		<u>1,986,013</u>	<u>263,011</u>
Wastewater:			
Revenue bonds	Repairs & Construction	185,000	188,736
Revenue bonds	Repairs & Construction	864,700	43,993
Revenue bonds	Improvements and Additions	<u>5,286,000</u>	<u>112,524</u>
Total Wastewater		<u>6,335,700</u>	<u>345,253</u>
Water:			
Revenue bonds	Construction of Water Tower	600,000	187,262
Revenue bonds	Construction/Annexation	<u>694,000</u>	<u>42,484</u>
Total Water		<u>1,294,000</u>	<u>229,746</u>
Totals		<u>\$ 9,615,713</u>	<u>\$ 838,010</u>

CITY OF RUSHVILLE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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	\$ 4,806,589
Infrastructure	13,329,910
Buildings	2,776,483
Improvements other than buildings	1,818,233
Machinery, equipment, and vehicles	2,615,044
Total governmental activities	25,346,259
Wastewater:	
Infrastructure	321,562
Buildings	4,819,515
Improvements other than buildings	15,959
Machinery, equipment, and vehicles	4,749,532
Construction in progress	152,074
Total Wastewater	10,058,642
Water:	
Land	1,886,500
Infrastructure	2,383,190
Buildings	1,437,500
Improvements other than buildings	139,813
Machinery, equipment, and vehicles	1,485,670
Construction in progress	183,909
Total Water	7,516,582
Total capital assets	\$ 42,921,483

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF RUSHVILLE, RUSH COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the City of Rushville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

**Report on Internal Control over Compliance**


Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-003, that we consider to be a material weakness.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF RUSHVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Rural Business Enterprise Grant RBEG Grant	Direct grant	10.769	15-047-352020138	\$ 9,250
Total - Department of Agriculture				<u>9,250</u>
<u>Department of Commerce</u>				
Economic Development Cluster Investments for Public Works and Economic Development Facilities NIP Project	Direct grant	11.300	06-01-05739	<u>683,386</u>
Total - Economic Development Cluster				<u>683,386</u>
Total - Department of Commerce				<u>683,386</u>
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Levee Grant Comprehensive Plan Grant	Indiana Office of Community & Rural Affairs	14.228	DR2-09-249 PL-13-007	6,205 <u>15,552</u>
Total - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>21,757</u>
Total - Department of Housing and Urban Development				<u>21,757</u>
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program OJP Vest Grant	Direct grant	16.607	15076102	<u>723</u>
Total - Department of Justice				<u>723</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Federal Highway Funding	Indiana Department of Transportation	20.205	Des # 400013	<u>38,653</u>
Total - Highway Planning and Construction Cluster				<u>38,653</u>
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	3158	<u>5,124</u>
Total - Highway Safety Cluster				<u>5,124</u>
Total - Department of Transportation				<u>43,777</u>
Total federal awards expended				<u>\$ 758,893</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF RUSHVILLE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF RUSHVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Economic Development Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Clerk-Treasurer was solely responsible for compiling and inputting the financial information into the Indiana Gateway for Government Units system, which is the source of the SEFA. There was no control in place to ensure the financial information submitted was accurate.

The SEFA presented for audit contained the following error: Highway Planning and Construction program expenditures were understated by \$38,653.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

CITY OF RUSHVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR section 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section 200.510 Financial statements."

2 CFR section 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.

CITY OF RUSHVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal control that would ensure proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-002 - FINANCIAL REPORTING**

*Condition*

Segregation of Duties: There were deficiencies in the internal control system of the City related to financial transactions and reporting that constituted material weaknesses. The City had not separated incompatible activities related to receipts, cash and investment balances, and financial close and reporting. The Clerk-Treasurer performed the reconciliation of the depository account balance with the record balance, collected and recorded receipts, and prepared and made bank deposits. The Clerk-Treasurer also input the financial information into the Indiana Gateway for Government Units financial system, which is the source of the Annual Financial Report (AFR) and the financial statement. There were no controls to verify the accuracy of the AFR prior to submission.

The AFR and the financial statement presented for audit included the following errors:

The Bond Cash Acct BNY fund was not properly recorded in the City's ledger. This error resulted in material misstatements of the AFR and the financial statement as follows: beginning balance was overstated by \$2,757,182; receipts were understated by \$2,452,784; and disbursements were understated by \$74,580.

Audit adjustments were proposed, accepted by the City, and made to the AFR and financial statement.

CITY OF RUSHVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

*Cause*

Management had not established a system of internal controls to ensure the financial information of the City was reported properly.

*Effect*

The failure to establish controls enabled material misstatements to remain undetected. The AFR and the financial statement contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2015-003 - SPECIAL TESTS AND PROVISIONS - WAGE RATE REQUIREMENTS**

Federal Agency: Department of Commerce  
Federal Program: Investments for Public Works and Economic Development Facilities  
CFDA Number: 11.300  
Federal Award Number and Year (or Other Identifying Number): 06-01-05739

This is a repeat finding from the immediate prior year. The prior year finding number was 2014-003.

*Condition*

An effective internal control system, was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Test and Provisions - Wage Rate Requirements.

CITY OF RUSHVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The City hired a Grant Administrator to facilitate compliance with the Special Test and Provisions - Wage Rate Requirements. All Wage Rate requirements were completed by the Grant Administrator. There was evidence of internal controls over compliance with the Special Test and Provisions - Wage Rate Requirements.

*Context*

Based on the initial assessment of the Investments for Public Works and Economic Development Facilities grant, it was determined that the lack of controls over the requirement listed above was a systemic problem. There were no controls over this area during the audit period.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the City

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.

**Mike Pavey, Mayor**

**765-932-3735**

**Ann Copley, Clerk-Treasurer**

**765-932-2672**



City of  
**Rushville**  
Indiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2014-001**

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Ann Copley, Clerk-Treasurer

Contact Phone Number: (765) 932-2672

Status of Audit Finding: Exit conference was not until 2017 therefore, we will correct the issue during the next reporting period.

**FINDING 2014-002**

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A


Contact Person Responsible for Corrective Action: Ann Copley, Clerk-Treasurer

Contact Phone Number: (765) 932-2672

Status of Audit Finding: Cash & Investments – Corrected issue January 1, 2017

Receipts – Corrected issue January 1, 2017

Financial Close & Reporting – We will correct the issue during the next reporting period.

  
\_\_\_\_\_  
(Signature)

Clerk-Treasurer  
\_\_\_\_\_  
(Title)

May 4, 2017  
\_\_\_\_\_  
(Date)

# Rush County

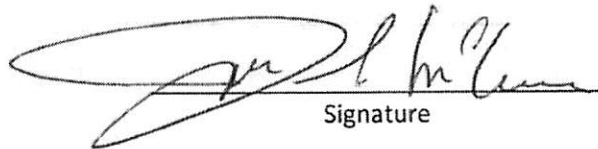
Economic & Community Development Corporation  
*making connections*

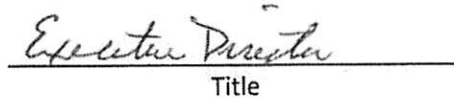
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AUDIT YEAR 2014

**FINDING 2014-003**

Fiscal year in which the finding initially occurred: **2014**  
Federal Grantor Agency: **United States Economic Development Administration**  
Contact Person Responsible for the Corrective Action: **John McCane**  
Contact Phone Number: **765-938-3232**

Status of Audit Finding: **The Federal EDA Grant has been closed out. Due to this the City of Rushville has not been able to implement the corrective action plan.**

  
Signature

  
Title

  
Date

**Mike Pavey, Mayor**

765-932-3735

**Ann Copley, Clerk-Treasurer**

765-932-2672



City of  
**Rushville**  
Indiana

## CORRECTIVE ACTION PLAN

### **FINDING 2015-001**

Contact Person Responsible for Corrective Action: Ann Copley, Clerk-Treasurer  
Contact Phone Number: (765) 932-2672

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: My deputy will review the SEFA report before submitting in Gateway.

Anticipated Completion Date: When next report is prepared for the year 2017.

### **FINDING 2015-002**

Contact Person Responsible for Corrective Action: Ann Copley, Clerk-Treasurer  
Contact Phone Number: (765) 932-2672

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

Cash & Investments - Council has already begun reviewing the bank reconciliation.

Receipts -Receipts are being prepared and reviewed by more than one member of the Clerk-Treasurer's office.


Financial Close & Reporting -The deputy will review the financial information before submitting in Gateway.

Anticipated Completion Date:

Cash & Investments – January 1, 2017

Receipts – January 1, 2017

Financial Close & Reporting – Report for 2017

  
\_\_\_\_\_  
(Signature)

Clerk- Treasurer  
\_\_\_\_\_  
(Title)

May 4, 2017  
\_\_\_\_\_  
(Date)



CORRECTIVE ACTION PLAN  
AUDIT YEAR 2015

**FINDING 2015-003 – SPECIAL TESTS & PROVISIONS – WAGE RATE**

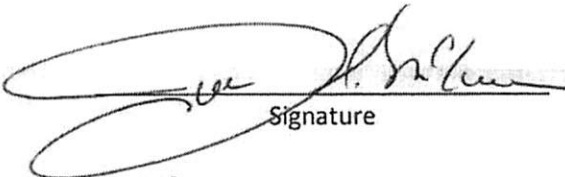
Fiscal year in which the finding initially occurred: **2015**  
Federal Grantor Agency: **United States Economic Development Administration**  
Contact Person Responsible for the Corrective Action: **John McCane**  
Contact Phone Number: **765-938-3232**

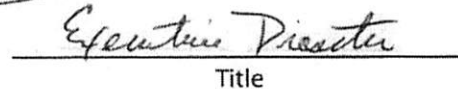
Views of the Responsible Official: The Indiana State Board of Accounts has found that City of Rushville did not create an effective internal control system, which would include segregation of duties, in order to ensure compliance with requirements related to the grant agreement and Davis Bacon compliance requirements.

For the record, the City contends that it is important to note that proper Davis Bacon evaluations did in fact take place by the grant administrator to protect the interests of the federal public investment.

Description of Corrective Action Plan: As a result of recent findings by SBA, our consultants have developed a checklist that will be used as a tool to assist our Department Heads and the Clerk-Treasurer's Office in meeting the uniform grant guidance requirements for federal funding. On grants that Administrative Resources association (ARA) administer, they will insure that the Clerk Treasurer's office has all the items on the checklist and required signatures on file.

Anticipated Completion Date: Immediately. This plan will be for all future Federal Grants issued to the City of Rushville.

  
Signature

  
Title

  
Date

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.