

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF RISING SUN

OHIO COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
02/19/2013

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|---|--|
| Clerk-Treasurer | Rae Baker Gipson | 01-01-08 to 12-31-15 |
| Mayor | William A. Marksberry Branden Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of the Board of Public Works | William A. Marksberry Branden Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of the Common Council | William A. Marksberry Branden Roeder | 01-01-08 to 12-31-11 01-01-12 to 12-31-15 |
| President of Utility Service Board | Sue Hart | 01-01-11 to 12-31-13 |
| Superintendent of Utilities | Myron Dennis (Vacant) Shawn Guidice | 01-01-11 to 08-31-11 09-01-11 to 10-02-11 10-03-11 to 12-31-13 |
| Utility Office Manager | Evon Sue Bovard | 01-01-11 to 12-31-13 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF RISING SUN, OHIO COUNTY, INDIANA

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

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

STATE BOARD OF ACCOUNTS

December 19, 2012

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF RISING SUN
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 | \$ 156,668 | \$ 1,799,088 | \$ 1,726,944 | \$ 228,812 |
| MOTOR VEHICLE HIGHWAY | 169,782 | 497,901 | 375,061 | 292,622 |
| LOCAL ROAD & STREET | 35,340 | 10,357 | - | 45,697 |
| CRIMINAL INVESTIGATION | 1,134 | 2,000 | 2,303 | 831 |
| ECONOMIC DEVELOPMENT | 133,995 | 100,236 | 54,451 | 179,780 |
| TRASH & GARBAGE PICKUP | 28,602 | 98,921 | 106,077 | 21,446 |
| COMMUNITY DEVELOPMENT FUND | 1,200,000 | 1,200,000 | - | 2,400,000 |
| LOCAL LAW ENF CONT ED | 3,196 | 1,073 | 821 | 3,448 |
| RIVERBOAT | 3,983,868 | 6,560,719 | 6,227,484 | 4,317,103 |
| PARK & RECREATION | 104,110 | 229,966 | 225,806 | 108,270 |
| RAINY DAY FUND | 98,344 | - | - | 98,344 |
| CUM CAP IMP- CIG TAX | 7,558 | 7,093 | - | 14,651 |
| CUM CAP DEVELOPMENT | 192,739 | 61,258 | - | 253,997 |
| REDEVELOPMENT GENERAL | 71,870 | 30,318 | 34,438 | 67,750 |
| REVENUE SHARING FUND | - | 1,300,809 | 1,015,201 | 285,608 |
| INSURANCE OTHER HRA CITY | 2,599 | 21,838 | 20,199 | 4,238 |
| PAYROLL- UTILITIES | 5,784 | 772,433 | 771,879 | 6,338 |
| INSURANCE-HRA UTILITIES | 30,394 | 14,023 | 13,835 | 30,582 |
| DONATION FUND | 637 | - | - | 637 |
| REBUILD AMERICA REDEV | 19,276 | - | - | 19,276 |
| REDEVELOPMENT RLF FUND | 366,985 | 116,371 | - | 483,356 |
| PARK SECURITY DEPOSIT | 2,781 | 10,225 | 7,075 | 5,931 |
| HERITAGE HALL SEC DEPOSIT | 700 | 440 | - | 1,140 |
| EDUCATION CENTER FUND | 36,000 | 24,000 | - | 60,000 |
| ARTS FESTIVAL | 10,430 | 21,768 | 22,066 | 10,132 |
| RSRF RFRONT PHASE 4 GRANT | - | 50,000 | - | 50,000 |
| MAIN ST GRANTS | - | 575 | 575 | - |
| OCCF MAIN ST LITE GRANT | - | 200 | 200 | - |
| POLICE CAR GRANT | - | 3,000 | 3,000 | - |
| POLICY UPDATE GRANT | - | 6,000 | 2,500 | 3,500 |
| 911 RADIO UPGRADE | 6,400 | 78,600 | 78,562 | 6,438 |
| BEAUTIFUL OCCF FUND | 2,365 | - | 2,365 | - |
| CITY BICENTENNIAL | 3,000 | - | 3,000 | - |
| MUSIC ON MAIN GRANT | 184 | - | 184 | - |
| ANIMAL CONTROL GRANTS | 6,406 | - | 6,397 | 9 |
| TREE GRANT | - | 1,135 | 1,135 | - |
| OCCF ENERGY EFF GRANT | 200 | - | - | 200 |
| OCCF AMERICA IN BLOOM GRT | 3,000 | 3,000 | 5,706 | 294 |
| MAIN ST BROCHURE GRANT | 3,600 | - | 3,600 | - |
| NAVY BEAN FUND | 11,879 | 114,020 | 115,785 | 10,114 |
| N MAIN DRAINAGE GRANT | 40,000 | - | 33,674 | 6,326 |

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

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

| Fund | Cash and Investments 01-01-11 | Receipts | Disbursements | Cash and Investments 12-31-11 |
|--|-------------------------------------|----------------------|----------------------|-------------------------------------|
| OCCF CLERK GRANT PRINTER | - | 500 | 500 | - |
| OCCF PORT A TELESCOPE GRA | - | 3,000 | 3,000 | - |
| SIREN GRANT | - | 22,570 | 22,570 | - |
| NEW FAIRGROUNDS PARK | 110,007 | 25,257 | 135,264 | - |
| RECAP GRANT TF "FACADES" | 78,933 | 1,400 | 65,939 | 14,394 |
| RSRF STREET GRANT | - | 22,162 | 22,162 | - |
| PARK GRANTS | 100 | 3,100 | 100 | 3,100 |
| OCCF MURAL | - | 950 | 475 | 475 |
| SHINER PARK RESTROOMS | - | 72,484 | - | 72,484 |
| PAYROLL | 1,101 | 909,469 | 909,469 | 1,101 |
| LEVY EXCESS FUND | 1,678 | - | - | 1,678 |
| PAYROLL- FED WHOLD | - | 153,871 | 153,871 | - |
| PAYROLL- FICA | - | 90,770 | 90,770 | - |
| PAYROLL- MEDICARE | - | 37,678 | 37,678 | - |
| PAYROLL- STATE W/H | 4,962 | 46,130 | 45,697 | 5,395 |
| PAYROLL- COUNTY W/H | 1,346 | 12,407 | 12,302 | 1,451 |
| PAYROLL- CIVIL PERF | (67) | 16,071 | 11,610 | 4,394 |
| POLICE PERF | 1,392 | 21,852 | 16,389 | 6,855 |
| PAYROLL VOLUNTARY PERF | (20) | 7,238 | 5,159 | 2,059 |
| PAYROLL- HEALTH INSURANCE | 1,346 | 7,412 | 7,410 | 1,348 |
| PAYROLL- CREDIT UNION W/H | - | 58,063 | 58,063 | - |
| PAYROLL- AUL 457 W/H | - | 3,570 | 3,570 | - |
| PAYROLL- CHILD SUPPORT | - | 8,996 | 8,996 | - |
| PAYROLL- LIBERTY NATIONAL | 179 | 4,665 | 4,665 | 179 |
| LIBERTY NATIONAL -CANCER | - | 567 | 567 | - |
| ELECTRIC - OPERATING | 1,917,725 | 4,599,772 | 4,657,909 | 1,859,588 |
| ELECTRIC - CUSTOMER DEPOSIT | 141,724 | 31,898 | 25,697 | 147,925 |
| ELECTRIC - WORKING FUND | 1,200 | - | - | 1,200 |
| ELECTRIC - IMPA- ENERGY EFFICIENCY PROGRAM | 6,529 | 6,282 | - | 12,811 |
| BROADBAND - CASH OPERATING | 22,183 | 146,733 | 145,422 | 23,494 |
| WASTEWATER - CASH OPERATING | 263,396 | 629,566 | 517,572 | 375,390 |
| WASTEWATER - CAPACITY | 65,304 | 3,698 | - | 69,002 |
| WATER - CASH OPERATING | 643,843 | 547,031 | 462,823 | 728,051 |
| WATER - CONSTRUCTION | 2,002 | - | 2,002 | - |
| WATER - CUSTOMER DEPOSIT | 25,561 | 3,750 | 6,007 | 23,304 |
| WATER - CAPACITY | 73,967 | 4,136 | - | 78,103 |
| Totals | <u>\$ 10,104,217</u> | <u>\$ 20,640,415</u> | <u>\$ 18,293,981</u> | <u>\$ 12,450,651</u> |

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

CITY OF RISING SUN
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, trash, internet, 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, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

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

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

CITY OF RISING SUN
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

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.

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.

CITY OF RISING SUN
NOTES TO FINANCIAL STATEMENT
(Continued)

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 RISING SUN
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 settlement. 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 RISING SUN
NOTES TO FINANCIAL STATEMENT
(Continued)

B. 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.

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

| | GENERAL FUND | MOTOR VEHICLE HIGHWAY | LOCAL ROAD & STREET | CRIMINAL INVESTIGATION | ECONOMIC DEVELOPMENT | TRASH & GARBAGE PICKUP | COMMUNITY DEVELOPMENT FUND |
|--|-----------------|-----------------------------|------------------------------|---------------------------|-------------------------|---------------------------------|----------------------------------|
| Cash and investments - beginning | \$ 156,668 | \$ 169,782 | \$ 35,340 | \$ 1,134 | \$ 133,995 | \$ 28,602 | \$ 1,200,000 |
| Receipts: | | | | | | | |
| Taxes | - | 357,173 | - | - | - | - | - |
| Licenses and permits | 2,692 | - | - | - | - | - | - |
| Intergovernmental | 355,489 | 134,470 | 10,357 | - | - | - | - |
| Charges for services | 67,445 | - | - | - | 9,600 | 98,921 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 1,373,462 | 6,258 | - | 2,000 | 90,636 | - | 1,200,000 |
| Total receipts | 1,799,088 | 497,901 | 10,357 | 2,000 | 100,236 | 98,921 | 1,200,000 |
| Disbursements: | | | | | | | |
| Personal services | 1,032,585 | 265,907 | - | - | 1,362 | - | - |
| Supplies | 104,520 | 67,330 | - | - | 876 | - | - |
| Other services and charges | 562,982 | 41,269 | - | 2,303 | 36,299 | 106,077 | - |
| Capital outlay | 26,857 | 555 | - | - | 15,914 | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | 1,726,944 | 375,061 | - | 2,303 | 54,451 | 106,077 | - |
| Excess (deficiency) of receipts over disbursements | 72,144 | 122,840 | 10,357 | (303) | 45,785 | (7,156) | 1,200,000 |
| Cash and investments - ending | \$ 228,812 | \$ 292,622 | \$ 45,697 | \$ 831 | \$ 179,780 | \$ 21,446 | \$ 2,400,000 |

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

| | LOCAL LAW ENF CONT ED | RIVERBOAT | PARK & RECREATION | RAINY DAY FUND | CUM CAP IMP- CIG TAX | CUM CAP DEVELOPMENT | REDEVELOPMENT GENERAL |
|--|-----------------------------------|--------------|-------------------------|----------------------|----------------------------------|---------------------------|--------------------------|
| Cash and investments - beginning | \$ 3,196 | \$ 3,983,868 | \$ 104,110 | \$ 98,344 | \$ 7,558 | \$ 192,739 | \$ 71,870 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | 56,997 | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 6,165,552 | - | - | 7,093 | 4,261 | - |
| Charges for services | - | 1,275 | 126,990 | - | - | - | 19,895 |
| Fines and forfeits | 1,073 | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | 393,892 | 102,976 | - | - | - | 10,423 |
| Total receipts | 1,073 | 6,560,719 | 229,966 | - | 7,093 | 61,258 | 30,318 |
| Disbursements: | | | | | | | |
| Personal services | - | 358,240 | 89,073 | - | - | - | 7,306 |
| Supplies | - | 66,616 | 16,402 | - | - | - | 3,440 |
| Other services and charges | 821 | 1,960,896 | 79,166 | - | - | - | 22,742 |
| Capital outlay | - | 323,874 | 41,165 | - | - | - | 950 |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 3,517,858 | - | - | - | - | - |
| Total disbursements | 821 | 6,227,484 | 225,806 | - | - | - | 34,438 |
| Excess (deficiency) of receipts over disbursements | 252 | 333,235 | 4,160 | - | 7,093 | 61,258 | (4,120) |
| Cash and investments - ending | \$ 3,448 | \$ 4,317,103 | \$ 108,270 | \$ 98,344 | \$ 14,651 | \$ 253,997 | \$ 67,750 |

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

| | REVENUE SHARING FUND | INSURANCE OTHER HRA CITY | PAYROLL- UTILITIES | INSURANCE-HRA UTILITIES | DONATION FUND | REBUILD AMERICA REDEV | REDEVELOPMENT RLF FUND |
|---|----------------------------|-----------------------------------|-----------------------|----------------------------|------------------|-----------------------------|------------------------------|
| Cash and investments - beginning | \$ - | \$ 2,599 | \$ 5,784 | \$ 30,394 | \$ 637 | \$ 19,276 | \$ 366,985 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 1,300,809 | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 1,575 |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | 21,838 | 772,433 | 14,023 | - | - | 114,796 |
| Total receipts | <u>1,300,809</u> | <u>21,838</u> | <u>772,433</u> | <u>14,023</u> | <u>-</u> | <u>-</u> | <u>116,371</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 94,943 | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 920,258 | 20,199 | 771,879 | 13,835 | - | - | - |
| Total disbursements | <u>1,015,201</u> | <u>20,199</u> | <u>771,879</u> | <u>13,835</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>285,608</u> | <u>1,639</u> | <u>554</u> | <u>188</u> | <u>-</u> | <u>-</u> | <u>116,371</u> |
| Cash and investments - ending | <u>\$ 285,608</u> | <u>\$ 4,238</u> | <u>\$ 6,338</u> | <u>\$ 30,582</u> | <u>\$ 637</u> | <u>\$ 19,276</u> | <u>\$ 483,356</u> |

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

| | PARK SECURITY DEPOSIT | HERITAGE HALL SEC DEPOSIT | EDUCATION CENTER FUND | ARTS FESTIVAL | RSRF RFRONT PHASE 4 GRANT | MAIN ST GRANTS | OCCF MAIN ST LITE GRANT |
|--|-----------------------------|------------------------------------|-----------------------------|------------------|---------------------------------------|----------------------|-------------------------------------|
| Cash and investments - beginning | \$ 2,781 | \$ 700 | \$ 36,000 | \$ 10,430 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 3,980 | - | - | - |
| Intergovernmental | - | - | - | - | 50,000 | 575 | 200 |
| Charges for services | - | - | 24,000 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 10,225 | 440 | - | 17,788 | - | - | - |
| Total receipts | <u>10,225</u> | <u>440</u> | <u>24,000</u> | <u>21,768</u> | <u>50,000</u> | <u>575</u> | <u>200</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 22,066 | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 7,075 | - | - | - | - | 575 | 200 |
| Total disbursements | <u>7,075</u> | <u>-</u> | <u>-</u> | <u>22,066</u> | <u>-</u> | <u>575</u> | <u>200</u> |
| Excess (deficiency) of receipts over disbursements | <u>3,150</u> | <u>440</u> | <u>24,000</u> | <u>(298)</u> | <u>50,000</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 5,931</u> | <u>\$ 1,140</u> | <u>\$ 60,000</u> | <u>\$ 10,132</u> | <u>\$ 50,000</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | POLICE CAR GRANT | POLICY UPDATE GRANT | 911 RADIO UPGRADE | BEAUTIFUL OCCF FUND | CITY BICENTENNIAL | MUSIC ON MAIN GRANT | ANIMAL CONTROL GRANTS |
|--|------------------------|---------------------------|-------------------------|---------------------------|----------------------|------------------------------|-----------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 6,400 | \$ 2,365 | \$ 3,000 | \$ 184 | \$ 6,406 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 3,000 | 6,000 | 78,600 | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 3,000 | 6,000 | 78,600 | - | - | - | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | 6,397 |
| Other services and charges | 3,000 | 2,500 | - | - | - | 184 | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | 78,562 | 2,365 | 3,000 | - | - |
| Total disbursements | 3,000 | 2,500 | 78,562 | 2,365 | 3,000 | 184 | 6,397 |
| Excess (deficiency) of receipts over disbursements | - | 3,500 | 38 | (2,365) | (3,000) | (184) | (6,397) |
| Cash and investments - ending | \$ - | \$ 3,500 | \$ 6,438 | \$ - | \$ - | \$ - | \$ 9 |

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

| | TREE GRANT | OCCF ENERGY EFF GRANT | OCCF AMERICA IN BLOOM GRT | MAIN ST BROCHURE GRANT | NAVY BEAN FUND | N MAIN DRAINAGE GRANT | OCCF CLERK GRANT PRINTER |
|--|---------------|--------------------------------|---------------------------------------|---------------------------------|----------------------|--------------------------------|-----------------------------------|
| Cash and investments - beginning | \$ - | \$ 200 | \$ 3,000 | \$ 3,600 | \$ 11,879 | \$ 40,000 | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | 3,025 | - | - |
| Intergovernmental | 1,135 | - | 3,000 | - | 5,000 | - | 500 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 105,995 | - | - |
| Total receipts | 1,135 | - | 3,000 | - | 114,020 | - | 500 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 3,600 | - | - | - |
| Capital outlay | 1,135 | - | - | - | - | 33,674 | 500 |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | 5,706 | - | 115,785 | - | - |
| Total disbursements | 1,135 | - | 5,706 | 3,600 | 115,785 | 33,674 | 500 |
| Excess (deficiency) of receipts over disbursements | - | - | (2,706) | (3,600) | (1,765) | (33,674) | - |
| Cash and investments - ending | \$ - | \$ 200 | \$ 294 | \$ - | \$ 10,114 | \$ 6,326 | \$ - |

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

| | OCCF PORT A TELESCOPE GRA | SIREN GRANT | NEW FAIRGROUNDS PARK | RECAP GRANT TF "FACADES" | RSRF STREET GRANT | PARK GRANTS |
|--|---------------------------------------|----------------|----------------------------|-----------------------------------|-------------------------|-----------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 110,007 | \$ 78,933 | \$ - | \$ 100 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 3,000 | 22,570 | - | - | 22,162 | 3,100 |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | - | 25,257 | 1,400 | - | - |
| Total receipts | <u>3,000</u> | <u>22,570</u> | <u>25,257</u> | <u>1,400</u> | <u>22,162</u> | <u>3,100</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Capital outlay | 3,000 | 22,570 | 135,264 | - | 22,162 | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | - | - | 65,939 | - | 100 |
| Total disbursements | <u>3,000</u> | <u>22,570</u> | <u>135,264</u> | <u>65,939</u> | <u>22,162</u> | <u>100</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>-</u> | <u>(110,007)</u> | <u>(64,539)</u> | <u>-</u> | <u>3,000</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,394</u> | <u>\$ -</u> | <u>\$ 3,100</u> |

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

| | OCCF MURAL | SHINER PARK RESTROOMS | PAYROLL | LEVY EXCESS FUND | PAYROLL- FED WHOLD | PAYROLL- FICA |
|---|---------------|-----------------------------|----------|------------------------|--------------------------|------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 1,101 | \$ 1,678 | \$ - | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 950 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | - | 72,484 | 909,469 | - | 153,871 | 90,770 |
| Total receipts | 950 | 72,484 | 909,469 | - | 153,871 | 90,770 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | 475 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | - | 909,469 | - | 153,871 | 90,770 |
| Total disbursements | 475 | - | 909,469 | - | 153,871 | 90,770 |
| Excess (deficiency) of receipts over disbursements | 475 | 72,484 | - | - | - | - |
| Cash and investments - ending | \$ 475 | \$ 72,484 | \$ 1,101 | \$ 1,678 | \$ - | \$ - |

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

| | PAYROLL- MEDICARE | PAYROLL- STATE W/H | PAYROLL- COUNTY W/H | PAYROLL- CIVIL PERF | POLICE PERF | PAYROLL VOLUNTARY PERF |
|--|----------------------|--------------------------|---------------------------|---------------------------|-----------------|------------------------------|
| Cash and investments - beginning | \$ - | \$ 4,962 | \$ 1,346 | \$ (67) | \$ 1,392 | \$ (20) |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 37,678 | 46,130 | 12,407 | 16,071 | 21,852 | 7,238 |
| Total receipts | <u>37,678</u> | <u>46,130</u> | <u>12,407</u> | <u>16,071</u> | <u>21,852</u> | <u>7,238</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | 37,678 | 45,697 | 12,302 | 11,610 | 16,389 | 5,159 |
| Total disbursements | <u>37,678</u> | <u>45,697</u> | <u>12,302</u> | <u>11,610</u> | <u>16,389</u> | <u>5,159</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>433</u> | <u>105</u> | <u>4,461</u> | <u>5,463</u> | <u>2,079</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 5,395</u> | <u>\$ 1,451</u> | <u>\$ 4,394</u> | <u>\$ 6,855</u> | <u>\$ 2,059</u> |

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

| | PAYROLL- HEALTH INSURANCE | PAYROLL- CREDIT UNION W/H | PAYROLL- AUL 457 W/H | PAYROLL- CHILD SUPPORT | PAYROLL- LIBERTY NATIONAL | LIBERTY NATIONAL -CANCER |
|--|---------------------------------|------------------------------------|-------------------------------|------------------------------|---------------------------------|--------------------------------|
| Cash and investments - beginning | \$ 1,346 | \$ - | \$ - | \$ - | \$ 179 | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 7,412 | 58,063 | 3,570 | 8,996 | 4,665 | 567 |
| Total receipts | 7,412 | 58,063 | 3,570 | 8,996 | 4,665 | 567 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | 7,410 | 58,063 | 3,570 | 8,996 | 4,665 | 567 |
| Total disbursements | 7,410 | 58,063 | 3,570 | 8,996 | 4,665 | 567 |
| Excess (deficiency) of receipts over disbursements | 2 | - | - | - | - | - |
| Cash and investments - ending | \$ 1,348 | \$ - | \$ - | \$ - | \$ 179 | \$ - |

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

| | ELECTRIC - OPERATING | ELECTRIC - CUSTOMER DEPOSIT | ELECTRIC - WORKING FUND | ELECTRIC - IMPA- ENERGY EFFICIENCY PROGRAM | BROADBAND - CASH OPERATING | WASTEWATER - CASH OPERATING |
|--|----------------------------|--------------------------------------|----------------------------------|--|-------------------------------------|--------------------------------------|
| Cash and investments - beginning | \$ 1,917,725 | \$ 141,724 | \$ 1,200 | \$ 6,529 | \$ 22,183 | \$ 263,396 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | 138,348 | - |
| Fines and forfeits | - | - | - | - | 2,290 | - |
| Utility fees | 4,124,631 | - | - | - | - | 607,816 |
| Penalties | 16,387 | - | - | - | - | 5,543 |
| Other receipts | 458,754 | 31,898 | - | 6,282 | 6,095 | 16,207 |
| Total receipts | <u>4,599,772</u> | <u>31,898</u> | <u>-</u> | <u>6,282</u> | <u>146,733</u> | <u>629,566</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | 63,656 | - |
| Supplies | - | - | - | - | 12,560 | - |
| Other services and charges | - | - | - | - | 59,711 | - |
| Capital outlay | 49,420 | - | - | - | - | 25,889 |
| Utility operating expenses | 3,938,207 | - | - | - | - | 442,933 |
| Other disbursements | 670,282 | 25,697 | - | - | 9,495 | 48,750 |
| Total disbursements | <u>4,657,909</u> | <u>25,697</u> | <u>-</u> | <u>-</u> | <u>145,422</u> | <u>517,572</u> |
| Excess (deficiency) of receipts over disbursements | <u>(58,137)</u> | <u>6,201</u> | <u>-</u> | <u>6,282</u> | <u>1,311</u> | <u>111,994</u> |
| Cash and investments - ending | <u>\$ 1,859,588</u> | <u>\$ 147,925</u> | <u>\$ 1,200</u> | <u>\$ 12,811</u> | <u>\$ 23,494</u> | <u>\$ 375,390</u> |

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

| | WASTEWATER - CAPACITY | WATER - CASH OPERATING | WATER - CONSTRUCTION | WATER - CUSTOMER DEPOSIT | WATER - CAPACITY | Totals |
|--|-----------------------------|---------------------------------|----------------------------|-----------------------------------|------------------------|----------------------|
| Cash and investments - beginning | \$ 65,304 | \$ 643,843 | \$ 2,002 | \$ 25,561 | \$ 73,967 | \$ 10,104,217 |
| Receipts: | | | | | | |
| Taxes | - | 30,730 | - | - | - | 444,900 |
| Licenses and permits | - | - | - | - | - | 9,697 |
| Intergovernmental | - | - | - | - | - | 8,177,823 |
| Charges for services | - | - | - | - | - | 486,474 |
| Fines and forfeits | - | - | - | - | - | 4,938 |
| Utility fees | 3,698 | 502,977 | - | - | 1,236 | 5,240,358 |
| Penalties | - | 1,713 | - | - | - | 23,643 |
| Other receipts | - | 11,611 | - | 3,750 | 2,900 | 6,252,582 |
| Total receipts | <u>3,698</u> | <u>547,031</u> | <u>-</u> | <u>3,750</u> | <u>4,136</u> | <u>20,640,415</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | 1,818,129 |
| Supplies | - | - | - | - | - | 278,141 |
| Other services and charges | - | - | - | - | - | 2,999,034 |
| Capital outlay | - | - | 2,002 | - | - | 704,931 |
| Utility operating expenses | - | 394,486 | - | - | - | 4,775,626 |
| Other disbursements | - | 68,337 | - | 6,007 | - | 7,718,120 |
| Total disbursements | <u>-</u> | <u>462,823</u> | <u>2,002</u> | <u>6,007</u> | <u>-</u> | <u>18,293,981</u> |
| Excess (deficiency) of receipts over disbursements | <u>3,698</u> | <u>84,208</u> | <u>(2,002)</u> | <u>(2,257)</u> | <u>4,136</u> | <u>2,346,434</u> |
| Cash and investments - ending | <u>\$ 69,002</u> | <u>\$ 728,051</u> | <u>\$ -</u> | <u>\$ 23,304</u> | <u>\$ 78,103</u> | <u>\$ 12,450,651</u> |

CITY OF RISING SUN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

| Government or Enterprise | Accounts Payable | Accounts Receivable |
|--------------------------|---------------------|------------------------|
| Governmental activities | \$ - | \$ - |
| Electric | 108,322 | 115,676 |
| Internet | 2,028 | - |
| Wastewater | 13,625 | 9,302 |
| Water | 24,110 | 7,537 |
| Totals | <u>\$ 148,085</u> | <u>\$ 132,515</u> |

CITY OF RISING SUN
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--|---------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: Dalmer Chrysler/Business Vehicle Finance | police vehicles (4) | \$ <u>19,222</u> | 01-01-07 | 05-17-11 |
| Total of annual lease payments | | \$ <u><u>19,222</u></u> | | |

CITY OF RISING SUN
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| | <u>Ending Balance</u> |
|-----------------------------------|-----------------------------|
| Governmental activities: | |
| Land | \$ 2,499,401 |
| Infrastructure | 6,699,364 |
| Buildings | 3,994,944 |
| Improvements other than buildings | 6,888,964 |
| Machinery, equipment and vehicles | 1,581,686 |
| Construction in progress | <u>541,119</u> |
| Total governmental activities | <u>22,205,478</u> |
| Electric: | |
| Buildings | 408,671 |
| Improvements other than buildings | 374,017 |
| Machinery, equipment and vehicles | <u>443,625</u> |
| Total Electric | <u>1,226,313</u> |
| Internet: | |
| Machinery, equipment and vehicles | <u>40,704</u> |
| Wastewater: | |
| Buildings | 8,305,737 |
| Machinery, equipment and vehicles | <u>384,700</u> |
| Total Wastewater | <u>8,690,437</u> |
| Water: | |
| Land | 88,000 |
| Buildings | 698,367 |
| Machinery, equipment and vehicles | <u>151,848</u> |
| Total Water | <u>938,215</u> |
| Total capital assets | <u><u>\$ 33,101,147</u></u> |

CITY OF RISING SUN
EXAMINATION RESULTS AND COMMENTS

DONATIONS FROM UTILITY FUNDS (Applies to the Electric Utility and Water Utility)

Donations in the amounts of \$3,025 and \$585 were made to various not-for-profit organizations from the Electric Utility and Water Utility Operating Funds, respectively.

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was written in prior Report B40036.

SICK-TIME COMPENSATION OVERPAYMENT (Applies to All Utilities)

City employees were paid for sick time that had not been earned. The City's personnel policy allows for the payment to employees of unused sick time in excess of 30 days at the end of each calendar year. On November 23, 2011, employees were paid for unused sick days in excess of 30 days which included hours that would have been accrued in the month of December 2011, but had not yet been earned at the time of the payout. The Utilities paid 104 hours of sick-time compensation to ten employees for a total of \$2,340.80 in compensation that had not yet been earned.

Payments to employees should not be paid in advance as there is no guarantee of continued employment required to be entitled to the compensation.

The personnel policy manual of the Utilities states: "At the end of each calendar year, the employees will receive normal hourly pay for days accrued over thirty (30) days. An employee could receive pay for one (1) to twelve (12) days. Never over twelve (12) days. All days thirty (30) or less will be carried over to the next year."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER (Applies to the Electric Utility and Water Utility)

Outstanding customer deposits reported in the detailed customer deposit register for the Electric Utility were \$1,171.01 more than the Customer Deposit Fund Cash Balance recorded on the general ledger at December 31, 2011. Outstanding customer deposits reported in the detailed customer deposit register for the Water Utility were \$325 more than the Customer Deposit Fund Cash Balance recorded on the general ledger at December 31, 2011.

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

A similar comment was reported in prior Report B40036.

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS (Applies to All Utilities)

The Utilities do not have a written policy for collecting on delinquent accounts, writing off bad debts, or making adjustments to customer accounts.

Accounts receivable for all City Utilities totaled \$144,002 as of December 31, 2011. Approximately 79 percent of this total was comprised of delinquent accounts which were over 90 days past due. Utility officials stated delinquent accounts have not been written off for several years. In addition, liens for delinquent wastewater accounts were not filed on a regular basis.

The accounts receivable balance for all utilities at December 31, 2011, increased approximately 30 percent since December 31, 2010. The table shown below provides a breakdown of the accounts receivable balance for each utility and comparative data between years.

| Utility | 2011 Balance | 2010 Balance | Difference | Percentage Change |
|------------|-------------------|-------------------|------------------|----------------------|
| Electric | \$ 124,619 | \$ 98,690 | \$ 25,929 | 26% |
| Water | 7,537 | 5,583 | 1,955 | 35% |
| Wastewater | 9,302 | 6,390 | 2,912 | 46% |
| Trash | 5,153 | 4,639 | 514 | 11% |
| Totals | <u>\$ 146,612</u> | <u>\$ 115,302</u> | <u>\$ 31,310</u> | 27% |

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances. Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs. Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-9-23-33 states in part in regards to delinquent wastewater accounts:

"(b) . . . the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

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- (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
 - (B) A description of the premises, as shown by the records of the county auditor.
 - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

A similar comment was reported in prior Report B40036.

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EXIT CONFERENCE

The contents of this report were discussed on December 19, 2012, with Branden Roeder, Mayor; Rae Baker Gipson, Clerk-Treasurer; Evon Sue Bovard, Utility Office Manager; Sue Hart, President of the Utility Service Board; and Shawn Guidice, Superintendent of Utilities. The officials concurred with our findings.