

**Financial Statements
of
Town of Rising Sun Proprietary Funds
For Five Months
Ended November 30, 2010**



PO Box 577 Rising Sun, MD 21911
410-658-7105 - 800-769-1886

ACCOUNTANTS' COMPILATION REPORT

To the Mayor and Commissioners

Town of Rising Sun Proprietary Funds
Rising Sun, MD

We have compiled the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Town of Rising Sun Proprietary Funds as of November 30, 2010, and for the five months then ended, which collectively comprise the Town's basic financial statements in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of the management of Town of Rising Sun Proprietary Funds. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Entity's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The budgetary comparison information, on pages 6 through 8, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Patricia J. Wagner, CPA, MS
December 15, 2010

TOWN OF RISING SUN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
November 30, 2010

	WATER	SEWER	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 39,422.39	\$ 132,418.65	\$ 171,841.04
MLGIP	500,324.59	698,002.75	1,198,327.34
Due to Sewer due from Water	0.00	176,332.55	176,332.55
Service Charges Receivable	92,460.21	117,287.06	209,747.27
 Noncurrent Assets	 3,768,974.36	 3,275,679.91	 7,044,654.27
Less: Accumulated Depreciation	<u>(1,030,150.72)</u>	<u>(1,068,031.27)</u>	<u>(2,098,181.99)</u>
 Net Noncurrent Assets	 <u>2,738,823.64</u>	 <u>2,207,648.64</u>	 <u>4,946,472.28</u>
 Due from Governmental Funds	 <u>0.00</u>	 <u>105,488.12</u>	 <u>105,488.12</u>
 TOTAL ASSETS	 <u><u>\$ 3,371,030.83</u></u>	 <u><u>\$ 3,437,177.77</u></u>	 <u><u>\$ 6,808,208.60</u></u>
 LIABILITIES	 WATER	 SEWER	 TOTAL
Due from Water due to Sewer	\$ 176,332.55	\$ 0.00	\$ 176,332.55
Due to Governmental Funds	80,431.66	0.00	80,431.66
Due to State (Bay Restoration)	0.00	4,169.15	4,169.15
Noncurrent Liabilities	<u>1,348,340.62</u>	<u>186,548.06</u>	<u>1,534,888.68</u>
TOTAL LIABILITIES	<u>1,605,104.83</u>	<u>190,717.21</u>	<u>1,795,822.04</u>
 NET ASSETS			
Investment in Capital Assets, Net of Related Debt	1,390,483.02	2,021,100.58	3,411,583.60
Unrestricted Assets	<u>375,442.98</u>	<u>1,225,359.98</u>	<u>1,600,802.96</u>
 TOTAL NET ASSETS	 <u>1,765,926.00</u>	 <u>3,246,460.56</u>	 <u>5,012,386.56</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 3,371,030.83</u></u>	 <u><u>\$ 3,437,177.77</u></u>	 <u><u>\$ 6,808,208.60</u></u>

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
For Five Months Ended November 30, 2010

	WATER	SEWER	TOTAL
OPERATING REVENUES			
Service Charges	\$ 118,431.32	\$ 144,987.35	\$ 263,418.67
Rents & Miscellaneous	<u>8,280.00</u>	<u>0.00</u>	<u>8,280.00</u>
TOTAL OPERATING REVENUE	<u>126,711.32</u>	<u>144,987.35</u>	<u>271,698.67</u>
OPERATING EXPENSES			
Accounting & Auditing	9,266.03	9,267.06	18,533.09
Chemicals & Testing	6,527.32	6,701.34	13,228.66
Contracted Services & Engineering	103,228.41	92,841.93	196,070.34
Depreciation	50,355.69	38,735.87	89,091.56
Legal	2,331.25	9,437.50	11,768.75
Other Expenses	1,324.25	1,123.35	2,447.60
Payroll Taxes & Frindge Benefits	16,659.75	16,651.50	33,311.25
Repairs & Maintenance	5,620.37	3,527.61	9,147.98
Salaries & Wages	44,532.01	44,563.42	89,095.43
Supplies & Materials	634.64	213.94	848.58
Utilities & Telephone	12,390.69	9,889.11	22,279.80
Vehicle Expenses	<u>2,163.50</u>	<u>2,184.49</u>	<u>4,347.99</u>
TOTAL OPERATING EXPENSES	<u>255,033.91</u>	<u>235,137.12</u>	<u>490,171.03</u>
OPERATING INCOME (EXPENSE)	<u>(128,322.59)</u>	<u>(90,149.77)</u>	<u>(218,472.36)</u>
OTHER REVENUE (EXPENSE)			
Interest Income	263.42	1,476.12	1,739.54
Interest Expense	<u>(6,516.77)</u>	<u>(9,382.29)</u>	<u>(15,899.06)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>(6,253.35)</u>	<u>(7,906.17)</u>	<u>(14,159.52)</u>
CHANGE IN NET ASSETS	<u>(134,575.94)</u>	<u>(98,055.94)</u>	<u>(232,631.88)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,900,501.94</u>	<u>3,344,516.50</u>	<u>5,245,018.44</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,765,926.00</u>	<u>\$ 3,246,460.56</u>	<u>\$ 5,012,386.56</u>

See Accountants' Compilation Report

**Supplementary Information
of
Town of Rising Sun Proprietary Funds
For Five Months
Ended November 30, 2010**

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Five Months Ended November 30, 2010

	WATER BUDGET	WATER ACTUAL	WATER VARIANCE
OPERATING REVENUES			
Service Charges	\$ 139,583.35	\$ 118,431.32	\$ (21,152.03)
Rents & Miscellaneous	<u>6,900.00</u>	<u>8,280.00</u>	<u>1,380.00</u>
TOTAL OPERATING REVENUE	<u>146,483.35</u>	<u>126,711.32</u>	<u>(19,772.03)</u>
OPERATING EXPENSES			
Accounting & Auditing	10,000.00	9,266.03	(733.97)
Chemicals & Testing	10,500.00	6,527.32	(3,972.68)
Contracted Services & Engineering	100,982.30	103,228.41	2,246.11
Capital Outlay	202.55	0.00	(202.55)
Depreciation	47,045.05	50,355.69	3,310.64
Legal	112.20	2,331.25	2,219.05
Other Expenses	1,338.00	1,324.25	(13.75)
Payroll Taxes & Frindge Benefits	22,708.20	16,659.75	(6,048.45)
Repairs & Maintenance	561.10	5,620.37	5,059.27
Salaries & Wages	56,067.95	44,532.01	(11,535.94)
Supplies & Materials	762.45	634.64	(127.81)
Utilities & Telephone	16,974.45	12,390.69	(4,583.76)
Vehicle Expenses	<u>4,412.25</u>	<u>2,163.50</u>	<u>(2,248.75)</u>
TOTAL OPERATING EXPENSES	<u>271,666.50</u>	<u>255,033.91</u>	<u>(16,632.59)</u>
OPERATING INCOME (EXPENSE)	<u>(125,183.15)</u>	<u>(128,322.59)</u>	<u>(3,139.44)</u>
OTHER REVENUE (EXPENSE)			
Intergovernmental Federal	103,001.50	0.00	(103,001.50)
Proceeds from Loan	33,333.35	0.00	(33,333.35)
Interest Income	1,113.05	263.42	(849.63)
Interest Expense	<u>(3,921.65)</u>	<u>(6,516.77)</u>	<u>(2,595.12)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>133,526.25</u>	<u>(6,253.35)</u>	<u>(139,779.60)</u>
CHANGE IN NET ASSETS	<u>8,343.10</u>	<u>(134,575.94)</u>	<u>(142,919.04)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,900,501.94</u>	<u>1,900,501.94</u>	<u>0.00</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,908,845.04</u>	<u>\$ 1,765,926.00</u>	<u>\$ (142,919.04)</u>

See Accountants' Compilation Report

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Five Months Ended November 30, 2010

	SEWER BUDGET	SEWER ACTUAL	SEWER VARIANCE
OPERATING REVENUES			
Service Charges	\$ 165,064.10	\$ 144,987.35	\$ (20,076.75)
TOTAL OPERATING REVENUE	<u>165,064.10</u>	<u>144,987.35</u>	<u>(20,076.75)</u>
OPERATING EXPENSES			
Accounting & Auditing	10,000.00	9,267.06	(732.94)
Chemicals & Testing	1,935.90	6,701.34	4,765.44
Contracted Services & Engineering	62,823.95	92,841.93	30,017.98
Capital Outlay	202.55	0.00	(202.55)
Depreciation	35,010.10	38,735.87	3,725.77
Legal	2,810.90	9,437.50	6,626.60
Other Expenses	13,693.40	1,123.35	(12,570.05)
Payroll Taxes & Frindge Benefits	23,598.40	16,651.50	(6,946.90)
Repairs & Maintenance	1,972.45	3,527.61	1,555.16
Salaries & Wages	56,326.70	44,563.42	(11,763.28)
Supplies & Materials	1,895.25	213.94	(1,681.31)
Utilities & Telephone	12,355.00	9,889.11	(2,465.89)
Vehicle Expenses	<u>3,587.00</u>	<u>2,184.49</u>	<u>(1,402.51)</u>
TOTAL OPERATING EXPENSES	<u>226,211.60</u>	<u>235,137.12</u>	<u>8,925.52</u>
OPERATING INCOME (EXPENSE)	<u>(61,147.50)</u>	<u>(90,149.77)</u>	<u>(29,002.27)</u>
OTHER REVENUE (EXPENSE)			
Intergovernmental Federal	103,001.50	0.00	(103,001.50)
Interest Income	386.75	1,476.12	1,089.37
Interest Expense	<u>(1,403.10)</u>	<u>(9,382.29)</u>	<u>(7,979.19)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>101,985.15</u>	<u>(7,906.17)</u>	<u>(109,891.32)</u>
CHANGE IN NET ASSETS	<u>40,837.65</u>	<u>(98,055.94)</u>	<u>(138,893.59)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>3,344,516.50</u>	<u>3,344,516.50</u>	<u>0.00</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,385,354.15</u>	<u>\$ 3,246,460.56</u>	<u>\$ (138,893.59)</u>

See Accountants' Compilation Report

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Five Months Ended November 30, 2010

	TOTAL BUDGET	TOTAL ACTUAL	TOTAL VARIANCE
OPERATING REVENUES			
Service Charges	\$ 304,647.45	\$ 263,418.67	\$ (41,228.78)
Rents & Miscellaneous	<u>6,900.00</u>	<u>8,280.00</u>	<u>1,380.00</u>
TOTAL OPERATING REVENUE	<u>311,547.45</u>	<u>271,698.67</u>	<u>(39,848.78)</u>
OPERATING EXPENSES			
Accounting & Auditing	20,000.00	18,533.09	(1,466.91)
Chemicals & Testing	12,435.90	13,228.66	792.76
Contracted Services & Engineering	163,806.25	196,070.34	32,264.09
Capital Outlay	405.10	0.00	(405.10)
Depreciation	82,055.15	89,091.56	7,036.41
Legal	2,923.10	11,768.75	8,845.65
Other Expenses	15,031.40	2,447.60	(12,583.80)
Payroll Taxes & Frindge Benefits	46,306.60	33,311.25	(12,995.35)
Repairs & Maintenance	2,533.55	9,147.98	6,614.43
Salaries & Wages	112,394.65	89,095.43	(23,299.22)
Supplies & Materials	2,657.70	848.58	(1,809.12)
Utilities & Telephone	29,329.45	22,279.80	(7,049.65)
Vehicle Expenses	<u>7,999.25</u>	<u>4,347.99</u>	<u>(3,651.26)</u>
TOTAL OPERATING EXPENSES	<u>497,878.10</u>	<u>490,171.03</u>	<u>(7,707.07)</u>
OPERATING INCOME (EXPENSE)	<u>(186,330.65)</u>	<u>(218,472.36)</u>	<u>(32,141.71)</u>
OTHER REVENUE (EXPENSE)			
Intergovernmental Federal	206,003.00	0.00	(206,003.00)
Proceeds from Loan	33,333.35	0.00	(33,333.35)
Interest Income	1,499.80	1,739.54	239.74
Interest Expense	<u>(5,324.75)</u>	<u>(15,899.06)</u>	<u>(10,574.31)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>235,511.40</u>	<u>(14,159.52)</u>	<u>(249,670.92)</u>
CHANGE IN NET ASSETS	<u>49,180.75</u>	<u>(232,631.88)</u>	<u>(281,812.63)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>5,245,018.44</u>	<u>5,245,018.44</u>	<u>0.00</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,294,199.19</u>	<u>\$ 5,012,386.56</u>	<u>\$ (281,812.63)</u>

See Accountants' Compilation Report