

**Financial Statements
of
Town of Rising Sun Proprietary Funds
For Seven Months
Ended January 31, 2011**



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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 January 31, 2011, and for the seven 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
February 22, 2011

TOWN OF RISING SUN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
January 31, 2011

	WATER	SEWER	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 121,244.74	\$ 163,536.76	\$ 284,781.50
MLGIP	500,568.40	698,445.88	1,199,014.28
Due to Sewer due from Water	0.00	115,728.74	115,728.74
Service Charges Receivable	112,518.32	138,435.21	250,953.53
Noncurrent Assets	3,859,164.68	3,392,298.38	7,251,463.06
Less: Accumulated Depreciation	<u>(1,050,417.61)</u>	<u>(1,083,610.66)</u>	<u>(2,134,028.27)</u>
Net Noncurrent Assets	<u>2,808,747.07</u>	<u>2,308,687.72</u>	<u>5,117,434.79</u>
Due from Governmental Funds	<u>0.00</u>	<u>78,511.53</u>	<u>78,511.53</u>
TOTAL ASSETS	<u><u>\$ 3,543,078.53</u></u>	<u><u>\$ 3,503,345.84</u></u>	<u><u>\$ 7,046,424.37</u></u>
LIABILITIES			
Due from Water due to Sewer	\$ 115,728.74	\$ 0.00	\$ 115,728.74
Due to Governmental Funds	238,570.76	0.00	238,570.76
Due to State (Bay Restoration)	0.00	4,478.93	4,478.93
Noncurrent Liabilities	<u>1,348,340.62</u>	<u>186,548.06</u>	<u>1,534,888.68</u>
TOTAL LIABILITIES	<u>1,702,640.12</u>	<u>191,026.99</u>	<u>1,893,667.11</u>
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	1,460,406.45	2,122,139.66	3,582,546.11
Unrestricted Assets	<u>380,031.96</u>	<u>1,190,179.19</u>	<u>1,570,211.15</u>
TOTAL NET ASSETS	<u>1,840,438.41</u>	<u>3,312,318.85</u>	<u>5,152,757.26</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,543,078.53</u></u>	<u><u>\$ 3,503,345.84</u></u>	<u><u>\$ 7,046,424.37</u></u>

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
For Seven Months Ended January 31, 2011

	WATER	SEWER	TOTAL
OPERATING REVENUES			
Service Charges	\$ 207,841.06	\$ 252,829.52	\$ 460,670.58
Rents & Miscellaneous	<u>9,660.00</u>	<u>0.00</u>	<u>9,660.00</u>
TOTAL OPERATING REVENUE	<u>217,501.06</u>	<u>252,829.52</u>	<u>470,330.58</u>
OPERATING EXPENSES			
Accounting & Auditing	17,536.56	18,978.05	36,514.61
Chemicals & Testing	9,817.17	13,505.32	23,322.49
Contracted Services & Engineering	56,166.89	46,009.48	102,176.37
Capital Outlay	723.36	723.37	1,446.73
Depreciation	70,622.58	54,315.26	124,937.84
Legal	2,668.75	14,937.50	17,606.25
Other Expenses	1,379.22	1,123.35	2,502.57
Payroll Taxes & Frindge Benefits	22,297.49	22,291.06	44,588.55
Repairs & Maintenance	10,502.81	3,554.49	14,057.30
Salaries & Wages	69,543.36	69,673.78	139,217.14
Supplies & Materials	656.64	434.24	1,090.88
Utilities & Telephone	21,507.01	13,926.20	35,433.21
Vehicle Expenses	<u>3,124.54</u>	<u>3,145.54</u>	<u>6,270.08</u>
TOTAL OPERATING EXPENSES	<u>286,546.38</u>	<u>262,617.64</u>	<u>549,164.02</u>
OPERATING INCOME (EXPENSE)	<u>(69,045.32)</u>	<u>(9,788.12)</u>	<u>(78,833.44)</u>
OTHER REVENUE (EXPENSE)			
Connection & Improvement Charges	40.00	0.00	40.00
Interest Income	507.23	1,924.09	2,431.32
Interest Expense	<u>(6,516.77)</u>	<u>(9,382.29)</u>	<u>(15,899.06)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>(5,969.54)</u>	<u>(7,458.20)</u>	<u>(13,427.74)</u>
CHANGE IN NET ASSETS	<u>(75,014.86)</u>	<u>(17,246.32)</u>	<u>(92,261.18)</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>\$ 1,825,487.08</u>	<u>\$ 3,327,270.18</u>	<u>\$ 5,152,757.26</u>

See Accountants' Compilation Report

**Supplementary Information
of
Town of Rising Sun Proprietary Funds
For Seven Months
Ended January 31, 2011**

TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Seven Months Ended January 31, 2011

	WATER BUDGET	WATER ACTUAL	WATER VARIANCE
OPERATING REVENUES			
Service Charges	\$ 195,416.69	\$ 207,841.06	\$ 12,424.37
Rents & Miscellaneous	<u>9,660.00</u>	<u>9,660.00</u>	<u>0.00</u>
TOTAL OPERATING REVENUE	<u>205,076.69</u>	<u>217,501.06</u>	<u>12,424.37</u>
OPERATING EXPENSES			
Accounting & Auditing	14,000.00	17,536.56	3,536.56
Chemicals & Testing	14,700.00	9,817.17	(4,882.83)
Contracted Services & Engineering	141,375.22	56,166.89	(85,208.33)
Capital Outlay	283.57	723.36	439.79
Depreciation	65,863.07	70,622.58	4,759.51
Legal	157.08	2,668.75	2,511.67
Other Expenses	1,873.20	1,379.22	(493.98)
Payroll Taxes & Frindge Benefits	31,791.48	22,297.49	(9,493.99)
Repairs & Maintenance	785.54	10,502.81	9,717.27
Salaries & Wages	78,495.13	69,543.36	(8,951.77)
Supplies & Materials	1,067.43	656.64	(410.79)
Utilities & Telephone	23,764.23	21,507.01	(2,257.22)
Vehicle Expenses	<u>6,177.15</u>	<u>3,124.54</u>	<u>(3,052.61)</u>
TOTAL OPERATING EXPENSES	<u>380,333.10</u>	<u>286,546.38</u>	<u>(93,786.72)</u>
OPERATING INCOME (EXPENSE)	<u>(175,256.41)</u>	<u>(69,045.32)</u>	<u>106,211.09</u>
OTHER REVENUE (EXPENSE)			
Connection & Improvement Charges	0.00	40.00	40.00
Intergovernmental Federal	144,202.10	0.00	(144,202.10)
Proceeds from Loan	46,666.69	0.00	(46,666.69)
Interest Income	1,558.27	507.23	(1,051.04)
Interest Expense	<u>(5,490.31)</u>	<u>(6,516.77)</u>	<u>(1,026.46)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>186,936.75</u>	<u>(5,969.54)</u>	<u>(192,906.29)</u>
CHANGE IN NET ASSETS	<u>11,680.34</u>	<u>(75,014.86)</u>	<u>(86,695.20)</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>\$ 1,912,182.28</u>	<u>\$ 1,825,487.08</u>	<u>\$ (86,695.20)</u>

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TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Seven Months Ended January 31, 2011

	SEWER BUDGET	SEWER ACTUAL	SEWER VARIANCE
OPERATING REVENUES			
Service Charges	\$ 231,089.74	\$ 252,829.52	\$ 21,739.78
TOTAL OPERATING REVENUE	<u>231,089.74</u>	<u>252,829.52</u>	<u>21,739.78</u>
OPERATING EXPENSES			
Accounting & Auditing	14,000.00	18,978.05	4,978.05
Chemicals & Testing	2,710.26	13,505.32	10,795.06
Contracted Services & Engineering	87,953.53	46,009.48	(41,944.05)
Capital Outlay	283.57	723.37	439.80
Depreciation	49,014.14	54,315.26	5,301.12
Legal	3,935.26	14,937.50	11,002.24
Other Expenses	19,170.76	1,123.35	(18,047.41)
Payroll Taxes & Frindge Benefits	33,037.76	22,291.06	(10,746.70)
Repairs & Maintenance	2,761.43	3,554.49	793.06
Salaries & Wages	78,857.38	69,673.78	(9,183.60)
Supplies & Materials	2,653.35	434.24	(2,219.11)
Utilities & Telephone	17,297.00	13,926.20	(3,370.80)
Vehicle Expenses	5,021.80	3,145.54	(1,876.26)
TOTAL OPERATING EXPENSES	<u>316,696.24</u>	<u>262,617.64</u>	<u>(54,078.60)</u>
OPERATING INCOME (EXPENSE)	<u>(85,606.50)</u>	<u>(9,788.12)</u>	<u>75,818.38</u>
OTHER REVENUE (EXPENSE)			
Intergovernmental Federal	144,202.10	0.00	(144,202.10)
Interest Income	541.45	1,924.09	1,382.64
Interest Expense	(1,964.34)	(9,382.29)	(7,417.95)
TOTAL OTHER REVENUE (EXPENSE)	<u>142,779.21</u>	<u>(7,458.20)</u>	<u>(150,237.41)</u>
CHANGE IN NET ASSETS	<u>57,172.71</u>	<u>(17,246.32)</u>	<u>(74,419.03)</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>\$ 3,401,689.21</u>	<u>\$ 3,327,270.18</u>	<u>\$ (74,419.03)</u>

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TOWN OF RISING SUN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL - PROPRIETARY FUNDS
For Seven Months Ended January 31, 2011

	TOTAL BUDGET	TOTAL ACTUAL	TOTAL VARIANCE
OPERATING REVENUES			
Service Charges	\$ 426,506.43	\$ 460,670.58	\$ 34,164.15
Rents & Miscellaneous	<u>9,660.00</u>	<u>9,660.00</u>	<u>0.00</u>
TOTAL OPERATING REVENUE	<u>436,166.43</u>	<u>470,330.58</u>	<u>34,164.15</u>
OPERATING EXPENSES			
Accounting & Auditing	28,000.00	36,514.61	8,514.61
Chemicals & Testing	17,410.26	23,322.49	5,912.23
Contracted Services & Engineering	229,328.75	102,176.37	(127,152.38)
Capital Outlay	567.14	1,446.73	879.59
Depreciation	114,877.21	124,937.84	10,060.63
Legal	4,092.34	17,606.25	13,513.91
Other Expenses	21,043.96	2,502.57	(18,541.39)
Payroll Taxes & Frindge Benefits	64,829.24	44,588.55	(20,240.69)
Repairs & Maintenance	3,546.97	14,057.30	10,510.33
Salaries & Wages	157,352.51	139,217.14	(18,135.37)
Supplies & Materials	3,720.78	1,090.88	(2,629.90)
Utilities & Telephone	41,061.23	35,433.21	(5,628.02)
Vehicle Expenses	<u>11,198.95</u>	<u>6,270.08</u>	<u>(4,928.87)</u>
TOTAL OPERATING EXPENSES	<u>697,029.34</u>	<u>549,164.02</u>	<u>(147,865.32)</u>
OPERATING INCOME (EXPENSE)	<u>(260,862.91)</u>	<u>(78,833.44)</u>	<u>182,029.47</u>
OTHER REVENUE (EXPENSE)			
Connection & Improvement Charges	0.00	40.00	40.00
Intergovernmental Federal	288,404.20	0.00	(288,404.20)
Proceeds from Loan	46,666.69	0.00	(46,666.69)
Interest Income	2,099.72	2,431.32	331.60
Interest Expense	<u>(7,454.65)</u>	<u>(15,899.06)</u>	<u>(8,444.41)</u>
TOTAL OTHER REVENUE (EXPENSE)	<u>329,715.96</u>	<u>(13,427.74)</u>	<u>(343,143.70)</u>
CHANGE IN NET ASSETS	<u>68,853.05</u>	<u>(92,261.18)</u>	<u>(161,114.23)</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>\$ 5,313,871.49</u>	<u>\$ 5,152,757.26</u>	<u>\$ (161,114.23)</u>

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