

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

EXAMINATION REPORT

OF

CITY OF LOOGOOTEE

MARTIN COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED
08/07/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bettye F. Norris	01-01-04 to 12-31-07
Mayor	Donald F. Bowling	01-01-04 to 12-31-07
President of the Common Council	Joe Mattox Susan Brewer	01-01-06 to 12-31-06 01-01-07 to 12-31-07
Superintendent of Utilities	James E. Wilson	01-01-06 to 12-31-07
President of the Board of Public Works	Donald F. Bowling	01-01-04 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LOOGOOTEE, MARTIN COUNTY, INDIANA

We have examined the financial information presented herein of the City of Loogootee, for the period of January 1, 2006 to December 31, 2006. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 2, 2007

CITY OF LOOGOOTEE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 163,477	\$ 685,167	\$ 696,511	\$ 152,133
Motor Vehicle Highway	23,243	124,224	101,574	45,893
Local Road and Street	15,612	11,470	23,996	3,086
Park and Recreation	38,519	30,646	45,765	23,401
Law Enforcement Continuing Education	2,067	1,165	168	3,064
Riverboat	30,312	17,249	5,920	41,641
Rural Development	33,809	-	-	33,809
Police Equipment	5,675	-	3,514	2,161
Rainy Day	23,258	-	13,637	9,621
EDIT	130,734	57,082	34,557	153,259
Donation	6,435	5,325	3,357	8,403
Cumulative Capital Improvement	15,149	9,792	19,791	5,150
Cumulative Capital Development	1,350	23,727	16,898	8,179
Cumulative Building and Firefighting Equipment	13,647	13,527	1,483	25,691
Levy Excess	450	22,715	450	22,715
Proprietary Funds:				
Water Utility - Operating	269,155	810,466	895,070	184,551
Water Utility - Bond and Interest	27,631	317,870	315,707	29,794
Water Utility - Depreciation	95,690	47,500	-	143,190
Water Utility - Customer Deposit	66,973	14,450	8,540	72,883
Water Utility - Debt Reserve	235,540	40,565	-	276,105
Wastewater Utility - Operating	279,032	830,893	912,268	197,657
Wastewater Utility - Bond and Interest	281,297	342,000	341,492	281,805
Wastewater Utility - Depreciation	341,300	43,751	-	385,051
Wastewater Utility - Construction	171,877	-	49,999	121,878
Wastewater Utility - Debt Reserve	296,136	37,584	-	333,720
Fiduciary Funds:				
Police Officers' Pension	73,808	11,934	27,976	57,766
Folks Endowment	31,848	1,104	1,104	31,848
Suspense	-	1,519,520	1,519,520	-
Payroll	-	653,183	653,183	-
Totals	<u>\$ 2,674,024</u>	<u>\$ 5,672,910</u>	<u>\$ 5,692,480</u>	<u>\$ 2,654,454</u>

The accompanying notes are an integral part of the financial information.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, water, wastewater, and general administrative services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Note 7. Long-Term Debt

The City has entered into various debts such as bonds for Water Utility construction and Wastewater Plant construction. The outstanding principal at December 31, 2006, was \$2,975,000 and \$3,900,000, respectively.

CITY OF LOOGOOTEE
EXAMINATION RESULT AND COMMENT

HYDRANT RENTAL RECEIVABLE

The City of Loogootee has four private fire hydrants located outside the City limits that were not charged hydrant rental. The amount due for those four hydrants as of December 31, 2006, was \$6,698.62, pursuant to the City's rate ordinance.

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)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF LOOGOOTEE
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Bettye F. Norris, Clerk-Treasurer; Donald F. Bowling, Mayor; and Susan Brewer, President of the Town Council. The officials concurred with our findings.