

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, 2007 to December 31, 2007



FILED
05/29/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bettye F. Norris Nancy L. Jones	01-01-04 to 12-31-07 01-01-08 to 12-31-11
Mayor	Donald F. Bowling	01-01-04 to 12-31-11
President of the Common Council	Susan Brewer James R. Taylor	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Utilities	James E. Wilson	01-01-07 to 12-31-08
President of Board of Public Works	Donald F. Bowling	01-01-04 to 12-31-11



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, 2007 to December 31, 2007. 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, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 9, 2008

CITY OF LOOGOOTEE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 152,133	\$ 670,235	\$ 693,819	\$ 128,549
Motor Vehicle Highway	45,893	124,493	105,873	64,513
Local Road and Street	3,086	11,449	10,937	3,598
Park and Recreation	23,401	36,984	48,590	11,795
Law Enforcement Continuing Education	3,064	1,118	40	4,142
Riverboat	41,641	17,284	4,653	54,272
CDBG Grant	-	9,168	9,168	-
Rural Development	33,809	-	19,537	14,272
Police Equipment	2,161	300	1,446	1,015
Rainy Day	9,621	11,814	11,842	9,593
E.D.I.T	153,259	51,864	41,878	163,245
Donation	8,403	13,472	9,293	12,582
Cumulative Capital Improvement	5,150	9,628	9,539	5,239
Cumulative Capital Development	8,179	24,583	32,572	190
Cumulative Building and Firefighting Equipment	25,691	14,028	-	39,719
Levy Excess	22,715	-	22,715	-
Proprietary Funds:				
Water Utility - Operating	184,551	804,636	852,282	136,905
Water Utility - Bond and Interest	29,794	318,961	318,955	29,800
Water Utility - Depreciation	143,190	47,500	46,563	144,127
Water Utility - Customer Deposit	72,883	14,950	9,486	78,347
Water Utility - Debt Reserve	276,105	42,850	-	318,955
Wastewater Utility - Operating	197,657	881,516	886,099	193,074
Wastewater Utility - Bond and Interest	281,805	315,040	343,330	253,515
Wastewater Utility - Depreciation	385,051	46,883	3,132	428,802
Wastewater Utility - Construction	121,878	-	39,675	82,203
Wastewater Utility - Debt Reserve	333,720	216,090	187,905	361,905
Fiduciary Funds:				
Police Officers' Pension	57,766	11,485	35,226	34,025
Folks Endowment	31,848	-	31,848	-
Suspense	-	1,564,733	1,564,733	-
Payroll	-	816,973	816,973	-
Totals	\$ 2,654,454	\$ 6,078,037	\$ 6,158,109	\$ 2,574,382

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. The November 2007 installment was not received by the City until January 2008.

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.

CITY OF LOOGOOTEE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

General infrastructure assets completed since January 1, 2004, have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 52,433
Infrastructure	218,591
Buildings	806,099
Improvements other than buildings	345,253
Machinery and equipment	<u>871,178</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 2,293,554</u></u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 51,620
Buildings	1,152,422
Improvements other than buildings	5,196,621
Machinery and equipment	<u>1,025,877</u>
 Total Water Utility capital assets	 <u>7,426,540</u>

Wastewater Utility:	
Capital assets, not being depreciated:	
Land	19,900
Buildings	2,871,563
Improvements other than buildings	4,672,749
Machinery and equipment	<u>1,957,449</u>
 Total Wastewater Utility capital assets	 <u>9,521,661</u>

Total business-type activities capital assets	<u><u>\$ 16,948,201</u></u>
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CITY OF LOOGOOTEE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
1996 Water Utility Refunding	\$ 460,000	\$ 26,264
2002C Water Revenue	855,000	41,993
2002B Water Revenue	<u>1,485,000</u>	<u>71,767</u>
Total Water Utility	<u>2,800,000</u>	<u>140,024</u>
Wastewater Utility		
Revenue bonds:		
2001 Wastewater Refunding	295,000	161,676
2002E Wastewater Revenue	<u>3,440,000</u>	<u>183,004</u>
Total Wastewater Utility	<u>3,735,000</u>	<u>344,680</u>
Total business-type activities debt:	<u>\$ 6,535,000</u>	<u>\$ 484,704</u>

CITY OF LOOGOOTEE
EXIT CONFERENCE

The contents of this report were discussed on April 9, 2008, with Donald F. Bowling, Mayor; Nancy L. Jones, Clerk-Treasurer; and James R. Taylor, President of the City Council. Our examination disclosed no material items that warrant comment at this time.