

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

EXAMINATION REPORT  
OF  
CITY OF ATTICA  
FOUNTAIN COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
10/15/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sharon Negele	01-01-04 to 12-31-11
Mayor	Deon H. Swift II	01-01-04 to 12-31-11
President of the Board of Public Works and Safety	Deon H. Swift II	01-01-04 to 12-31-11
President of the Common Council	Deon H. Swift II	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 ATTICA, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of the City of Attica (City), 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

September 4, 2008

CITY OF ATTICA  
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, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 171,254	\$ 941,223	\$ 845,142	\$ 267,335
Motor Vehicle Highway	102,600	194,893	225,021	72,472
Local Road and Street	12,139	13,612	-	25,751
Park and Recreation	27,768	142,246	120,035	49,979
Riverside Cemetery	52,278	130,662	122,827	60,113
Park Non-Reverting Operating	37,334	42,918	24,223	56,029
Alcohol and Drug Services	7,456	101	-	7,557
Probation User Fees	16,978	2,120	-	19,098
McDonald Park Donation	2,999	-	140	2,859
Police Donation	2,113	435	1,606	942
Building Demolition	4,873	6,150	-	11,023
Law Enforcement Continuing Education	1,273	2,855	3,395	733
Pretrial Diversion and Deferral	8,425	1,870	1,000	9,295
Riverboat Gambling	34,222	22,013	21,973	34,262
Rainy Day	150,859	108,755	-	259,614
Cumulative Capital Improvement	65,791	15,878	-	81,669
Cumulative Capital Development	221,234	60,197	-	281,431
Downtown Restoration	2,500	51,500	53,378	622
<b>Proprietary Funds:</b>				
Water Utility - Operating	366,951	628,503	516,363	479,091
Water Utility - Bond and Interest	-	213,305	213,305	-
Water Utility - Depreciation	259,760	15,755	-	275,515
Water Utility - Customer Deposit	42,094	19,660	15,119	46,635
Wastewater Utility - Operating	322,987	345,216	339,141	329,062
Wastewater Utility - Bond and Interest	-	101,318	101,318	-
Wastewater Utility - Depreciation	99,868	8,961	-	108,829
Wastewater Utility - EPA Replacement	342,866	58,315	-	401,181
Sanitation	24,038	141,248	130,098	35,188
<b>Fiduciary Funds:</b>				
Police Pension	22,374	28,536	41,873	9,037
Allen Trust-General	834	-	-	834
Allen Trust-Cemetery	14,714	2,105	-	16,819
Allen Trust-Perpetual Care	7,000	-	-	7,000
Cemetery Perpetual Care	25,810	1,990	-	27,800
Rozelle Trust	441	347	-	788
Allen Trust-Principal	20,000	-	-	20,000
Hayes Trust-Perpetual Care	2,106	128	-	2,234
Payroll	895	744,919	744,556	1,258
City Court	13,610	60,802	63,928	10,484
Law Enforcement Continuing Education	2,976	572	560	2,988
<b>Totals</b>	<b>\$ 2,491,420</b>	<b>\$ 4,109,108</b>	<b>\$ 3,585,001</b>	<b>\$ 3,015,527</b>

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

CITY OF ATTICA  
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 (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and trash.

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 ATTICA  
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 ATTICA  
 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 (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 25,000
Infrastructure	3,659,704
Buildings	316,193
Improvements other than buildings	26,960
Machinery and equipment	<u>1,664,167</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 5,692,024</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Infrastructure	\$ 1,980,000
Buildings	819,817
Machinery and equipment	<u>905,438</u>
 Total Water Utility capital assets	 <u>3,705,255</u>
Wastewater Utility:	
Infrastructure	5,700,210
Buildings	798,294
Machinery and equipment	<u>46,073</u>
 Total Wastewater Utility capital assets	 <u>6,544,577</u>
 Total business-type activities capital assets	 <u>\$ 10,249,832</u>

CITY OF ATTICA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Truck	\$ 70,558	\$ 25,000
Loader/Backhoe	<u>19,484</u>	<u>10,296</u>
Total governmental activities debt	<u>\$ 90,042</u>	<u>\$ 35,296</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
Waterworks Revenue Bonds of 1995	\$ 560,000	\$ 202,300
Wastewater Utility		
State Revolving Fund loan	<u>792,000</u>	<u>100,968</u>
Total business-type activities debt:	<u>\$ 1,352,000</u>	<u>\$ 303,268</u>

CITY OF ATTICA  
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2008, with Deon H. Swift II, Mayor; and Sharon Negele, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.