

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

EXAMINATION REPORT
OF
CITY OF LOGANSPOUR
CASS COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
09/18/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Ellen Bland	01-01-08 to 12-31-11
Mayor	Michael E. Fincher	01-01-08 to 12-31-11
President of the Common Council	Scott Kraud Chuck LaDow	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of Utilities	Paul Hartman	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LOGANSPORT, CASS COUNTY, INDIANA

We have examined the financial information presented herein of the City of Logansport (City), for the period of January 1, 2008 to December 31, 2008. 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, 2008, 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

August 19, 2009

CITY OF LOGANSPORT
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, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 2,611,935	\$ 11,848,525	\$ 11,433,130	\$ 3,027,330
Motor Vehicle Highway	1,001,711	749,862	889,986	861,587
Local Road and Street	34,299	76,186	60,259	50,226
Law Enforcement Continuing Education	46,681	9,717	-	56,398
Park Nonreverting Operating	33,575	45,174	31,465	47,284
Ben Long	473	-	-	473
Fire Report	640	119	109	650
Solid Waste District	13,894	7,266	625	20,535
Police Reserve	190	-	-	190
Nonreverting Host Community	866,930	264,956	62,307	1,069,579
Eastgate Property	428,182	256,033	23,685	660,530
Blitz Grant	202	7,250	7,245	207
Auto Safety IU Grant	74	-	-	74
Donations	65	-	-	65
AIP Environmental Grant	392	-	-	392
Nonreverting Drug Investigation/Equipment	14,216	-	10,000	4,216
Nonreverting Unsafe Building	853	57,269	30,000	28,122
Rainy Day	174,993	281,272	11,491	444,774
Recreation Trails Program Grant	34,599	-	2,616	31,983
Fire Station/Street Department	136,433	40,573	176,732	274
Cumulative Capital Improvement	49,380	64,013	-	113,393
County Economic Development Income Tax	2,001,174	686,746	112,540	2,575,380
Park Nonreverting Capital	2,607	-	-	2,607
Logansport Nonreverting Equipment	696,404	207,376	53,350	850,430
Little Turtle Waterway Plaza	3,184	-	200	2,984
Nonreverting Infrastructure Maintenance	387,241	142,879	142,879	387,241
Nonreverting Old US 24 Highway Relinquishment	1,477,728	281,106	847,521	911,313
Nonreverting Land Development	53,604	40,434	23,604	70,434
Tax Increment Financing	91,020	-	50,875	40,145
CDBG IN Housing Grant 005	50	-	-	50
Nonreverting Logansport Health Insurance	107,445	-	-	107,445
Nonreverting Golf Operating	39,512	88,974	64,759	63,727
Nonreverting Grant Administration	124,471	-	9,600	114,871
Sharon Ness Memorial Scholarship - Parks	592	-	97	495
Transportation Enhancement Eel River Run Trail	-	188,782	2,503	186,279
DUI Task Force Grant	-	2,500	1,809	691
Forestry Exact Grant	-	3,000	-	3,000
Jefferson Street Federal Housing Grant	-	100,000	93,459	6,541
CDBG Planning Grant	-	35,540	33,040	2,500
Proprietary Funds:				
Internal Service Fund:				
Utility Health Insurance	1,438,133	1,503,781	1,453,470	1,488,444
Water Utility - Operating	218,655	3,717,795	3,737,647	198,803
Water Utility - Bond and Interest	-	383,614	383,614	-
Water Utility - Depreciation	2,368,593	137,599	-	2,506,192
Water Utility - Insurance Reserve	108,207	3,716	-	111,923
Water Utility - Bond Reserve	429,000	14,607	14,607	429,000
Wastewater Utility - Operating	331,047	5,510,345	5,481,421	359,971
Wastewater Utility - Bond and Interest	-	712,951	712,951	-
Wastewater Utility - Depreciation	801,535	610,875	-	1,412,410
Wastewater Utility - Insurance Reserve	104,045	3,573	-	107,618
Wastewater Utility - Bond Reserve	770,413	26,328	26,329	770,412
Wastewater Utility - Fiscal Agent	16,745	628	628	16,745
Electric Utility - Operating	1,413,828	37,398,052	36,529,236	2,282,644
Electric Utility - Depreciation	3,563,000	296,362	832,486	3,026,876
Electric Utility - Customer Deposit	137,645	10,942	3,492	145,095
Electric Utility - Construction	286,491	3,428	289,919	-
Electric Utility - Insurance Reserve	270,000	9,307	-	279,307
Electric Utility - Employee Banked Vacation	206,290	34,167	6,828	233,629
Storm Water Utility - Operating	55,206	818,275	765,194	108,287
Storm Water Utility - Bond and Interest	-	135,231	135,231	-
Storm Water Utility - Depreciation	412,087	17,116	-	429,203
Storm Water Utility - Bond Reserve	147,420	5,020	5,020	147,420
Storm Water Utility - Operating Reserve	400,000	64,462	136,691	327,771
Fiduciary Funds:				
Police Pension	879,850	462,268	652,939	689,179
Fire Pension	1,344,783	629,081	852,382	1,121,482
Cemetery Endowment	2,252	-	-	2,252
Calvary Perpetual	51,162	-	-	51,162
Cemetery Perpetual	68,423	8,281	-	76,704
Cemetery Trust (Flanagan)	4,681	-	1,518	3,163
Pratt Charitable	4,813	137	-	4,950
Spry Charitable	10,000	50	-	10,050
Payroll Withholdings	-	2,577,635	2,577,635	-
Payroll	-	4,290,549	4,290,549	-
Totals	\$ 26,279,053	\$ 74,871,727	\$ 73,065,673	\$ 28,085,107

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

CITY OF LOGANSPORT
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, 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.

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 LOGANSPORT
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 LOGANSPORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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	\$ 4,901,847
Infrastructure	13,866,863
Buildings	12,878,531
Improvements other than buildings	4,166,742
Machinery and equipment	<u>6,372,657</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 42,186,640</u>
 Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 77,749
Buildings	1,672,575
Improvements other than buildings	14,980,448
Machinery and equipment	<u>4,182,340</u>
 Total Water Utility capital assets	 <u>20,913,112</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	36,500
Buildings	2,404,821
Improvements other than buildings	17,366,450
Machinery and equipment	<u>14,469,340</u>
 Total Wastewater Utility capital assets	 <u>34,277,111</u>
 Electric Utility:	
Capital assets, not being depreciated:	
Land	268,635
Buildings	6,395,184
Improvements other than buildings	33,557,920
Machinery and equipment	<u>37,778,148</u>
 Total Electric Utility capital assets	 <u>77,999,887</u>
 Storm Water Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	<u>5,098,233</u>
 Total business-type activities capital assets	 <u>\$ 138,288,343</u>

CITY OF LOGANSPORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Ivy Tech Campus Street and Improvements	\$ 4,000,000	\$ 149,771
Business-type activities:		
Water Utility:		
Revenue bonds:		
1995 Issue	\$ 310,000	\$ 163,910
2001 Issue	<u>2,708,000</u>	<u>241,806</u>
Total Water Utility	<u>3,018,000</u>	<u>405,716</u>
Wastewater Utility:		
Revenue bonds:		
1994 Issue	930,000	494,507
1998 Issue	794,000	92,011
2001 Issue	<u>1,848,000</u>	<u>165,235</u>
Total Wastewater Utility	<u>3,572,000</u>	<u>751,753</u>
Storm Water Utility:		
Revenue bonds:		
1995 Issue	<u>395,000</u>	<u>142,495</u>
Total Storm Water Utility	<u>395,000</u>	<u>142,495</u>
Total business-type activities debt	<u>\$ 6,985,000</u>	<u>\$ 1,299,964</u>

CITY OF LOGANSPOUR
EXAMINATION RESULT AND COMMENT

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. A similar comment was in the prior Reports B30001 and B32908.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
 - (B) A description of the premises, as shown by the records of the county auditor.
 - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

CITY OF LOGANSPORT
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2009, with Michael E. Fincher, Mayor; Ruth Ellen Bland, Clerk-Treasurer; Scott Kraud, Common Council Board member; Paul Hartman, Superintendent of Utilities; and LuAnn Davis, Utilities Controller. The officials concurred with our finding.