

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

EXAMINATION REPORT
OF
TOWN OF CICERO
HAMILTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/18/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Unger	01-01-08 to 12-31-11
President of the Town Council	Jerry G. Cook	01-01-08 to 12-31-08
	Dennis Schrupf	01-01-09 to 12-31-09
	Sylvia K. Hartley	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CICERO, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Cicero (Town), for the period of January 1, 2008 to December 31, 2009. The Town'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 Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part 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 2, 2010

TOWN OF CICERO
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,714,776	\$ 2,232,168	\$ 2,193,657	\$ 1,753,287
Special Revenue:				
Motor Vehicle Highway	439,901	125,091	136,957	428,035
Local Road and Street	85,866	59,091	84,504	60,453
Grant, Miscellaneous	1	74,232	43,482	30,751
Condo TIF	32,720	148,211	-	180,931
Law Enforcement Continuing Education	3,992	4,795	2,744	6,043
Park and Recreation	138,902	325,383	341,612	122,673
Park Nonreverting	16,955	35,075	25	52,005
Police Nonreverting Grant	75	3,500	3,500	75
Trash	60,234	258,595	242,576	76,253
Nonreverting Baseball Park	1,550	2,000	-	3,550
Park Impact Fees	-	2,773	-	2,773
Rainy Day	-	217,045	-	217,045
Debt Service:				
Fire Equipment Debt	38,275	68,408	70,701	35,982
Fire Building Bond	2,947	126,389	122,000	7,336
Capital Projects:				
Cumulative Capital Improvement	54,200	13,993	28,198	39,995
Capital Project Special	-	110,000	-	110,000
Storm Water	188,859	89,101	43,289	234,671
Cumulative Capital Development	438,098	154,021	218,462	373,657
Proprietary Funds:				
Water Utility - Operating	131,914	698,469	701,715	128,668
Water Utility - Improvement	639,278	159,068	411,489	386,857
Water Utility - Bond and Interest	149,502	142,800	143,303	148,999
Water Utility - Customer Deposit	11,882	3,744	3,402	12,224
Wastewater Utility - Operating	378,106	891,789	967,994	301,901
Wastewater Utility - Improvement	1,540,176	185,439	318,660	1,406,955
Wastewater Utility - Bond and Interest	7,555	596,760	290,899	313,416
Wastewater Utility - Customer Deposit	11,662	3,756	3,403	12,015
Fiduciary Fund:				
Payroll	16,045	745,133	730,638	30,540
Totals	<u>\$ 6,103,471</u>	<u>\$ 7,476,829</u>	<u>\$ 7,103,210</u>	<u>\$ 6,477,090</u>

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

TOWN OF CICERO
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 1,753,287	\$ 2,219,402	\$ 2,216,384	\$ 1,756,305
Special Revenue:				
Motor Vehicle Highway	428,035	123,059	161,821	389,273
Local Road and Street	60,453	58,623	54,483	64,593
Donation	-	610	-	610
Grant, Miscellaneous	30,751	54,250	68,085	16,916
Condo TIF	180,931	111,371	-	292,302
Law Enforcement Continuing Education	6,043	6,314	6,334	6,023
Park and Recreation	122,673	317,041	305,404	134,310
Park Nonreverting	52,005	3,516	45,087	10,434
Police Nonreverting Grant	75	2,700	2,700	75
Trash	76,253	260,284	244,268	92,269
Nonreverting Baseball Park	3,550	-	-	3,550
Park Impact Fees	2,773	11,113	-	13,886
Rainy Day	217,045	210,056	-	427,101
175th Birthday Celebration	-	14,008	9,629	4,379
Southeast TIF	-	674	-	674
Excess Levy	-	17,137	17,137	-
Debt Service:				
Fire Equipment Debt	35,982	64,652	70,701	29,933
Fire Building Bond	7,336	114,414	121,750	-
Capital Projects:				
Cumulative Capital Improvement	39,995	13,194	-	53,189
Capital Project Special	110,000	-	-	110,000
Storm Water	234,671	88,636	15,851	307,456
Cumulative Capital Development	373,657	114,346	258,013	229,990
Proprietary Funds:				
Water Utility - Operating	128,668	674,489	763,065	40,092
Water Utility - Improvement	386,857	135,380	51,583	470,654
Water Utility - Bond and Interest	148,999	144,146	143,769	149,376
Water Utility - Customer Deposit	12,224	4,560	3,640	13,144
Wastewater Utility - Operating	301,901	849,307	990,815	160,393
Wastewater Utility - Improvement	1,406,955	115,605	23,746	1,498,814
Wastewater Utility - Bond and Interest	313,416	298,503	294,733	317,186
Wastewater Utility - Customer Deposit	12,015	4,560	3,600	12,975
Fiduciary Fund:				
Payroll	30,540	835,791	835,734	30,597
Totals	<u>\$ 6,477,090</u>	<u>\$ 6,867,741</u>	<u>\$ 6,708,332</u>	<u>\$ 6,636,499</u>

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

TOWN OF CICERO
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The Town 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 Town 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 Town 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.

TOWN OF CICERO
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town 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 Town 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. Subsequent Event

The Town of Cicero received notification that a federal grant was awarded in the amount of \$2,200,000 for the construction of a walkway over the causeway (Jackson Street) on Morse Reservoir. The total project is estimated to cost \$2,914,400.

TOWN OF CICERO
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

The Town and Utilities have entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire equipment	\$ 389,134	\$ 70,702
Bonds payable:		
General obligation bonds:		
Fire station	<u>115,000</u>	<u>120,750</u>
Total governmental activities debt	<u>\$ 504,134</u>	<u>\$ 191,452</u>
Business-type activities:		
Water Utility:		
Notes and loans payable		
State revolving loan	\$ 530,000	\$ 25,670
Revenue bonds:		
Bonds of 1993	<u>590,000</u>	<u>117,408</u>
Total Water Utility	<u>1,120,000</u>	<u>143,078</u>
Wastewater Utility:		
Notes and loans payable:		
State revolving loan	\$ 1,022,000	\$ 84,858
Revenue bonds:		
Bonds of 2003	<u>1,105,000</u>	<u>206,321</u>
Total Wastewater Utility	<u>2,127,000</u>	<u>291,179</u>
Total business-type activities debt	<u>\$ 3,247,000</u>	<u>\$ 434,257</u>

TOWN OF CICERO
EXAMINATION RESULT AND COMMENT

PERSONAL EXPENSES

The Town of Cicero purchased gift cards in the form of Visa cards (\$50.00 each, total \$1,900) in 2008 and Walmart cards in 2009 (\$50.00 each, total \$1,900) for the employees of the Town and Utilities as Christmas gifts.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF CICERO
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2010, with Janice L. Unger, Clerk-Treasurer; and Sylvia K. Hartley, President of Town Council.