

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, 2010 to December 31, 2010



FILED
04/15/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sharon K. Negele	01-01-08 to 12-31-11
Mayor	Robert G. Shepherd	01-10-10 to 12-31-11
President of the Board of Public Works	Valerie Maus (Interim) Robert G. Shepherd	01-01-10 to 01-09-10 01-10-10 to 12-31-11
President of the Common Council	Valerie Maus	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2010 to December 31, 2010. 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, 2010, 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

March 3, 2011

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, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 188,521	\$ 1,042,313	\$ 874,825	\$ 356,009
Motor Vehicle Highway	89,825	245,834	249,103	86,556
Local Road and Street	38,055	12,512	25,976	24,591
Park and Recreation	68,733	104,117	137,986	34,864
Law Enforcement Continuing Education	4,050	2,514	2,578	3,986
Riverboat	57,779	21,847	1,500	78,126
Rainy Day	480,339	138,978	12,215	607,102
Police Donations	1,518	510	211	1,817
Levy Excess	-	2,471	-	2,471
Deferral Program	19,585	2,750	-	22,335
Street Sign	-	1,348	1,348	-
Local Law Enforcement Education Holding	-	1,115	1,115	-
Park Nonreverting Operating	47,941	20,320	11,100	57,161
Park Donations	3,059	857	-	3,916
Cemetery	86,711	119,444	94,605	111,550
Probation	12,447	2,132	5,500	9,079
Cemetery Perpetual Care Interest	29,135	152	-	29,287
Building Demolition	10,036	-	5,500	4,536
Cumulative Capital Improvement	106,843	10,576	-	117,419
Cumulative Capital Development	377,064	436,703	589,636	224,131
Downtown Restoration	11,514	2,800	13,610	704
Attica North Neighborhood	-	1,472	779	693
Proprietary Funds:				
Sanitation - Operating	59,180	138,015	124,127	73,068
Water Utility - Operating	433,675	1,155,969	1,132,072	457,572
Water Utility - Bond and Interest	-	210,125	209,750	375
Water Utility - Depreciation/Improvement	181,029	774	-	181,803
Water Utility - Customer Deposit	50,254	16,051	14,535	51,770
Water Utility - Air Stripper	15	189,695	19,765	169,945
Wastewater Utility - Operating	385,964	303,584	394,771	294,777
Wastewater Utility - Bond and Interest	-	101,386	101,386	-
Wastewater Utility - Depreciation	113,077	488	-	113,565
Wastewater Utility - EPA Replacement	495,342	41,142	-	536,484
Fiduciary Funds:				
Allen Trust Cem Principal	20,000	-	-	20,000
Allen Trust General	834	-	-	834
Allen Trust Perpetual Care	7,000	-	-	7,000
Hayes Trust Perpetual Care	2,320	9	-	2,329
Rozelle Trust Cemetery	920	230	-	1,150
Allen Trust Cemetery	18,231	162	-	18,393
Police Officers' Pension	19,892	30,115	36,949	13,058
City Court	8,903	78,741	79,572	8,072
Payroll	15,733	786,478	798,378	3,833
Totals	<u>\$ 3,445,524</u>	<u>\$ 5,223,730</u>	<u>\$ 4,938,892</u>	<u>\$ 3,730,362</u>

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, 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 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 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

Construction on a storm water project began in 2011. The project is being funded through a \$600,000 Community Focus Fund Grant.

CITY OF ATTICA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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	329,193
Improvements other than buildings	44,485
Machinery and equipment	<u>1,558,093</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,616,475</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 1,814,723
Improvements other than buildings	1,980,000
Machinery and equipment	<u>905,438</u>
Total Water Utility capital assets	<u>4,700,161</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	798,294
Improvements other than buildings	5,700,210
Machinery and equipment	<u>76,244</u>
Total Wastewater Utility capital assets	<u>6,574,748</u>
Total business-type activities capital assets	<u>\$ 11,274,909</u>

CITY OF ATTICA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire Truck	\$ 150,000	\$ 24,303
Total governmental activities debt	<u>\$ 150,000</u>	<u>\$ 24,303</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Wastewater Plant Improvements	\$ 634,000	\$ 101,979
Total Wastewater Utility	<u>634,000</u>	<u>101,979</u>
Total business-type activities debt	<u>\$ 634,000</u>	<u>\$ 101,979</u>

CITY OF ATTICA
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2011, with Sharon K. Negele, Clerk-Treasurer, and Robert G. Sheperd, Mayor. Our examination disclosed no material items that warrant comment at this time.