

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, 2010 to December 31, 2010



FILED
06/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy L. Jones	01-01-08 to 12-31-11
Mayor	Donald F. Bowling	01-01-08 to 12-31-11
President of the Board of Public Works	Donald F. Bowling	01-01-10 to 12-31-11
President of the Common Council	Donald "Rick" Norris Phyllis Parker	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Utilities	James E. Wilson	01-01-10 to 12-31-11



STATE OF INDIANA
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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 LOOGOOTEE, MARTIN COUNTY, INDIANA

We have examined the financial statement(s) presented herein of the City of Loogootee (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement(s) 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 statement(s) 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 Combining Schedule(s), 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 25, 2011

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FINANCIAL STATEMENT(S)

CITY OF LOOGOOTEE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 179,927	\$ 872,403	\$ 695,293	\$ 357,037
Motor Vehicle Highway	13,941	112,019	121,842	4,118
Local Road And Street	10,889	10,890	12,000	9,779
Donations	7,897	1,114	1,181	7,830
Fire Turnout Gear Grant	-	44,614	44,614	-
Law Enforcement Continuing Ed	5,200	1,832	933	6,099
Riverboat	22,193	17,153	12,197	27,149
Parks And Recreation	12,048	52,311	53,431	10,928
Gospel House Cleanup	-	21,804	11,380	10,424
Rainy Day	26,265	23,371	3,500	46,136
Levy Excess	-	1,360	-	1,360
Police Equipment And Training	3,479	-	1,500	1,979
Cumulative Capl Imprv Cigarette Tax	4,272	8,025	-	12,297
Cumulative Capital Development	161	27,952	27,294	819
Cumulative Cap Imprv (Special Fire)	19,106	16,482	9,792	25,796
Cedit Capital Projects	73,746	101,396	104,992	70,150
Police Pension	87,669	9,239	30,662	66,246
Payroll	5	765,214	765,219	-
Suspense Fund	-	1,584,515	1,584,515	-
Payroll #2	-	154,424	154,424	-
Sewage Operating Cash Fund	97,448	928,179	955,683	69,944
Sewage Bond Redemption Cash Fund	286,035	345,211	345,693	285,553
Sewage Depreciation Cash Fund	426,988	-	-	426,988
Eft Deposits	-	40,365	40,365	-
Sewage Debt Reserve Cash Fund	365,645	-	3,740	361,905
Water Operating Cash Fund	21,276	755,919	765,697	11,498
Water Bond Redemption Cash Fund	29,926	314,290	314,307	29,909
Water Depreciation Cash Fund	122,084	-	5,100	116,984
Meter Deposit Cash Fund	81,159	14,300	11,887	83,572
Cash Change Fund	50	-	-	50
Water Debt Reserve Cash Fund	321,630	-	2,675	318,955
Totals	<u>\$ 2,219,039</u>	<u>\$ 6,224,382</u>	<u>\$ 6,079,916</u>	<u>\$ 2,363,505</u>

The notes to the financial statement(s) are an integral part of this statement.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of 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, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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:

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF 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:

CITY OF LOOGOOTEE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF LOOGOTEE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Donations	Fire Turnout Gear Grant	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation
Cash and investments - beginning	\$ 179,927	\$ 13,941	\$ 10,889	\$ 7,897	\$ -	\$ 5,200	\$ 22,193	\$ 12,048
Receipts:								
Taxes	503,832	34,972	-	-	-	-	-	31,271
Licenses and permits	650	-	-	-	-	1,540	-	-
Intergovernmental	286,200	75,442	10,890	-	44,614	-	17,153	4,007
Charges for services	59,277	366	-	-	-	280	-	16,959
Fines and forfeits	1,449	-	-	-	-	12	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	20,995	1,239	-	1,114	-	-	-	74
Total receipts	<u>872,403</u>	<u>112,019</u>	<u>10,890</u>	<u>1,114</u>	<u>44,614</u>	<u>1,832</u>	<u>17,153</u>	<u>52,311</u>
Disbursements:								
Personal services	476,761	96,203	-	-	-	-	-	26,122
Supplies	22,946	17,459	-	-	-	-	-	8,612
Other services and charges	177,658	8,180	12,000	-	11,330	933	-	11,904
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	11,896	-	-	1,181	33,284	-	12,197	6,500
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	6,032	-	-	-	-	-	-	293
Total disbursements	<u>695,293</u>	<u>121,842</u>	<u>12,000</u>	<u>1,181</u>	<u>44,614</u>	<u>933</u>	<u>12,197</u>	<u>53,431</u>
Excess (deficiency) of receipts over disbursements	<u>177,110</u>	<u>(9,823)</u>	<u>(1,110)</u>	<u>(67)</u>	<u>-</u>	<u>899</u>	<u>4,956</u>	<u>(1,120)</u>
Cash and investments - ending	<u>\$ 357,037</u>	<u>\$ 4,118</u>	<u>\$ 9,779</u>	<u>\$ 7,830</u>	<u>\$ -</u>	<u>\$ 6,099</u>	<u>\$ 27,149</u>	<u>\$ 10,928</u>

CITY OF LOOGOTEE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Gospel House Cleanup	Rainy Day	Levy Excess	Police Equipment And Training	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Cumulative Cap Imprv (Special Fire)	Cedit Capital Projects
Cash and investments - beginning	\$ -	\$ 26,265	\$ -	\$ 3,479	\$ 4,272	\$ 161	\$ 19,106	\$ 73,746
Receipts:								
Taxes	-	-	-	-	-	24,245	15,176	61,563
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	21,804	23,371	1,360	-	8,025	3,707	1,306	39,833
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>21,804</u>	<u>23,371</u>	<u>1,360</u>	<u>-</u>	<u>8,025</u>	<u>27,952</u>	<u>16,482</u>	<u>101,396</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	421	-	-	-	-	-	-	-
Other services and charges	10,959	-	-	-	-	27,294	-	80,011
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	3,500	-	1,500	-	-	9,792	24,981
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>11,380</u>	<u>3,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>27,294</u>	<u>9,792</u>	<u>104,992</u>
Excess (deficiency) of receipts over disbursements	<u>10,424</u>	<u>19,871</u>	<u>1,360</u>	<u>(1,500)</u>	<u>8,025</u>	<u>658</u>	<u>6,690</u>	<u>(3,596)</u>
Cash and investments - ending	<u>\$ 10,424</u>	<u>\$ 46,136</u>	<u>\$ 1,360</u>	<u>\$ 1,979</u>	<u>\$ 12,297</u>	<u>\$ 819</u>	<u>\$ 25,796</u>	<u>\$ 70,150</u>

CITY OF LOOGOTEE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Police Pension	Payroll	Suspense Fund	Payroll #2	Sewage Operating Cash Fund	Sewage Bond Redemption Cash Fund	Sewage Depreciation Cash Fund	Eft Deposits
Cash and investments - beginning	\$ 87,669	\$ 5	\$ -	\$ -	\$ 97,448	\$ 286,035	\$ 426,988	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	8,571	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	835,430	-	-	-
Penalties	-	-	-	-	15,452	-	-	-
Other receipts	668	765,214	1,584,515	154,424	77,297	345,211	-	40,365
Total receipts	9,239	765,214	1,584,515	154,424	928,179	345,211	-	40,365
Disbursements:								
Personal services	30,662	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	345,693	-	-
Capital outlay	-	-	-	-	109,755	-	-	-
Utility operating expenses	-	-	-	-	491,922	-	-	-
Other disbursements	-	765,219	1,584,515	154,424	354,006	-	-	40,365
Total disbursements	30,662	765,219	1,584,515	154,424	955,683	345,693	-	40,365
Excess (deficiency) of receipts over disbursements	(21,423)	(5)	-	-	(27,504)	(482)	-	-
Cash and investments - ending	\$ 66,246	\$ -	\$ -	\$ -	\$ 69,944	\$ 285,553	\$ 426,988	\$ -

CITY OF LOOGOTEE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewage Debt Reserve Cash Fund	Water Operating Cash Fund	Water Bond Redemption Cash Fund	Water Depreciation Cash Fund	Meter Deposit Cash Fund	Cash Change Fund	Water Debt Reserve Cash Fund	Totals
Cash and investments - beginning	\$ 365,645	\$ 21,276	\$ 29,926	\$ 122,084	\$ 81,159	\$ 50	\$ 321,630	\$ 2,219,039
Receipts:								
Taxes	-	-	-	-	-	-	-	671,059
Licenses and permits	-	-	-	-	-	-	-	2,190
Intergovernmental	-	-	-	-	-	-	-	546,283
Charges for services	-	-	-	-	-	-	-	76,882
Fines and forfeits	-	-	-	-	-	-	-	1,461
Utility fees	-	734,076	-	-	-	-	-	1,569,506
Penalties	-	3,937	-	-	-	-	-	19,389
Other receipts	-	17,906	314,290	-	14,300	-	-	3,337,612
Total receipts	-	755,919	314,290	-	14,300	-	-	6,224,382
Disbursements:								
Personal services	-	-	-	-	-	-	-	629,748
Supplies	-	-	-	-	-	-	-	49,438
Other services and charges	-	-	-	-	-	-	-	340,269
Debt service - principal and interest	-	-	314,307	-	-	-	-	660,000
Capital outlay	-	-	-	5,100	-	-	-	219,686
Utility operating expenses	-	371,256	-	-	11,834	-	-	875,012
Other disbursements	3,740	394,441	-	-	53	-	2,675	3,305,763
Total disbursements	3,740	765,697	314,307	5,100	11,887	-	2,675	6,079,916
Excess (deficiency) of receipts over disbursements	(3,740)	(9,778)	(17)	(5,100)	2,413	-	(2,675)	144,466
Cash and investments - ending	\$ 361,905	\$ 11,498	\$ 29,909	\$ 116,984	\$ 83,572	\$ 50	\$ 318,955	\$ 2,363,505

CITY OF LOOGOOTEE
 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 are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. 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 of 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	\$ 67,432
Infrastructure	1,241,747
Buildings	882,764
Improvements other than buildings	292,989
Machinery and equipment	<u>1,090,178</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,575,110</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	5,178,352
Machinery and equipment	<u>1,044,146</u>
Total Water Utility capital assets	<u>7,426,540</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	19,900
Buildings	2,863,910
Improvements other than buildings	4,715,449
Machinery and equipment	<u>2,043,329</u>
Total Wastewater Utility capital assets	<u>9,642,588</u>
Total business-type activities capital assets	<u>\$ 17,069,128</u>

CITY OF LOOGOOTE
 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:		
2009 Tymco model 435 street sweeper	\$ 44,274	\$ 12,197
1994 International 4900 combination sewer cleaner	<u>49,500</u>	<u>17,719</u>
Total governmental activities debt	<u>\$ 93,774</u>	<u>\$ 29,916</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1996 Refunding bonds	\$ 240,000	\$ 88,450
2002C Improvements to tank, plant & mains	610,000	119,305
2003B Improvements to mains and looping of distribution system	<u>1,385,000</u>	<u>102,185</u>
Total Water Utility	<u>2,235,000</u>	<u>309,940</u>
Wastewater Utility:		
Revenue bonds:		
2002E Treatment plant and storage facility improvements	<u>3,180,000</u>	<u>343,575</u>
Total business-type activities debt	<u>\$ 5,415,000</u>	<u>\$ 653,515</u>

CITY OF LOOGOOTEE
EXAMINATION RESULT(S) AND COMMENT(S)

INVESTMENT MATURITY LIMITATIONS

The governmental unit purchased a certain investment which has a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states: "Investments made under IC 5-13-9 must have a stated final maturity of not more than two years after the date of purchase or entry into a repurchase agreement. "

A similar comment appeared in the prior reports.

POLICE DEPARTMENT RECEIPTS AND FEES

Receipts and fees collected by the police department were remitted to the Clerk-Treasurer less frequently than once a week. Some receipts tested were held up to one month before they were remitted to the Clerk-Treasurer.

Receipts and fees collected by a police department should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

A similar comment appeared in the prior reports.

PENALTIES, INTEREST, AND OTHER CHARGES

The Water Utility paid the following amounts in interest charges to the Indiana Department of Revenue for the late filing of sales tax: on July 7, 2010, interest totaling \$88.94 for the sales tax period of calendar year 2007 and \$75.62 for the sales tax period of calendar year 2008 and on July 27, 2010, interest totaling \$12.83 for the sales tax period of calendar year 2009.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF LOOGOOTEE
EXAMINATION RESULT(S) AND COMMENT(S)
(Continued)

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.

Indiana Code 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; and

(C) The amount of the delinquent fees, together with the penalty; or

(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. . . ."

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

There is no written collection policy concerning writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF LOOGOOTEE
EXAMINATION RESULT(S) AND COMMENT(S)
(Continued)

ORDINANCES AND RESOLUTIONS

The City of Loogootee has a Policy and Procedure Manual concerning compensatory leave, vacation leave and sick leave. There were numerous exceptions taken to these various types of leave. These exceptions are as follows:

Nonexempt employees may accumulate 160 hours of compensatory leave. Employees with public safety activities may accumulate 320 hours of compensatory leave. One employee with public safety activities had a compensatory leave balance over the allowed amount as of December 31, 2010.

Employees must use vacation accrued during the current calendar year in that calendar year. However, 40 hours may be carried over to the next year with supervisor approval. Twelve employees had a vacation leave balance over the allowed amount as of December 31, 2010.

A grandfather clause was included in the employee manual that employees whose sick bank has already exceeded the 240 hour limit as of January 1, 2010, will be given their sick leave at the beginning of each year, but any unused current time will be forfeited until the total balance does not exceed the 240 hour threshold.

Six employees with a balance above 240 hours of accumulated sick leave before January 1, 2010, had unauthorized increases in their sick leave balances during 2010.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF LOOGOOTEE
EXIT CONFERENCE

The contents of this report were discussed on April 25, 2011, with Donald F. Bowling, Mayor; Nancy L. Jones, Clerk-Treasurer; and Phyllis Parker, President of the Common Council. The officials concurred with our findings.