

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

EXAMINATION REPORT

OF

CITY OF LIGONIER

NOBLE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
10/11/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6
Notes to Financial Statement.....	7-11
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-20
Schedule of Long-Term Debt	21
Examination Result and Comment:	
Capital Asset Records	22
Exit Conference.....	23

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Norma Brady Barb Donley Barb Hawn	01-01-08 to 05-15-10 05-16-10 to 06-07-10 06-08-10 to 12-31-11
Mayor	Patricia Fisel	01-01-08 to 12-31-11
President of the City Council	Kenneth Schuman	01-01-10 to 12-31-11
President of the Board of Public Works and Safety	Patricia Fisel	01-01-10 to 12-31-11
Superintendent of Water Utility	Jeffrey Boyle	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Environmental Management Corporation Mark Schultz	01-01-10 to 12-31-10 01-01-11 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 LIGONIER, NOBLE COUNTY, INDIANA

We have examined the financial statement of the City of Ligonier (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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. The basis noted above is a difference basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis 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 financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, City Council, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 30, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF LIGONIER
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	\$ 130,101	\$ 1,751,805	\$ 1,748,403	\$ 133,503
Motor Vehicle Highway	105,151	314,956	304,178	115,929
Local Road & Streets	28,975	19,146	18,121	30,000
Park Nonreverting Operating	6,122	54,996	52,669	8,449
City Gift	5,681	25,719	4,732	26,668
CFF Streetscape	1,410	-	-	1,410
Law Enforcement Continuing Education	2,220	8,741	2,940	8,021
Riverboat	50,026	27,266	1,986	75,306
State Grants	3,190	273,042	273,042	3,190
Park & Recreation	25,224	119,855	100,542	44,537
Fire Grant	405	-	-	405
Park Gift	76,080	9,783	47,410	38,453
Downtown Redevelopment	610	-	-	610
Thompson Beautification	1,963	37,388	20,435	18,916
Sports/Recreation	39,450	136,056	137,596	37,910
Reimbursement Grants	24,556	47,823	72,206	173
CDBG Grant DR2-09-077	-	171,750	171,750	-
Rainy Day	236,693	72,568	51,617	257,644
Land Purchase	24,937	-	-	24,937
TIF Number 2 - Warren	1,535,409	724,926	354,539	1,905,796
Ligonier Forfeiture Fund	-	1,274	637	637
Redevelopment Authority Lease Payment	120,964	271,500	271,500	120,964
General Obligation Bonds	-	906,100	349,963	556,137
Redevelopment Authority Debt Service Reserve	269,019	2,470	-	271,489
Cumulative Capital Development	183,691	57,792	-	241,483
Park Nonreverting Capital	6,603	-	-	6,603
Debt Service	612,699	30,459	583,161	59,997
Cumulative Building and Fire Fighting Equipment	96,593	32,471	24,149	104,915
General Improvement	121,104	20,657	-	141,761
Cumulative Capital Improvement	48,003	12,757	-	60,760
CEDIT	93,392	173,443	103,756	163,079
Payroll	(41,575)	1,388,453	1,324,380	22,498
Indiana Employment	(704)	704	-	-
Wastewater Utility - Operating	2,175,044	990,163	853,706	2,311,501
Wastewater Utility - Bond and Interest	928,134	812,492	813,626	927,000
Wastewater Utility - Depreciation	240,762	377,968	-	618,730
Wastewater Utility - Construction	100	-	-	100
Wastewater Utility - Debt Service Reserve	378,404	-	375,000	3,404
Water Utility - Operating	140,477	755,697	750,811	145,363
Water Utility - Bonds and Interest	17,063	310,771	309,733	18,101
Water Utility - Depreciation	11,790	-	11,790	-
Water Utility - Customer Deposit	1,926	69	69	1,926
Water Utility - Debt Service Reserve	326,828	942	-	327,770
Totals	\$ 8,028,520	\$ 9,942,002	\$ 9,134,447	\$ 8,836,075

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

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT

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, and urban development.

The accompanying financial statement presents 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 statement. 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, 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. Example 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 LIGONIER
NOTES TO FINANCIAL STATEMENT
(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: building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, dog pound fees, park rental fees, cable tv receipts, ordinance violations, fines and fees, 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 LIGONIER
NOTES TO FINANCIAL STATEMENT
(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.

H. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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. The purchase of insurance transfers the risk to an independent third party.

Note 6. Pension Plan

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.

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the City. It is presented as intended by the City.

CITY OF LIGONIER
 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 & Streets	Park Nonreverting Operating	City Gift	CFF Streetscape	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 130,101	\$ 105,151	\$ 28,975	\$ 6,122	\$ 5,681	\$ 1,410	\$ 2,220
Receipts:							
Taxes	1,023,159	179,199	-	-	-	-	-
Licenses and permits	3,650	-	-	-	-	-	-
Intergovernmental	480,383	134,465	18,371	-	-	-	-
Charges for services	178,422	-	-	54,996	-	-	-
Fines and forfeits	(942)	-	-	-	-	-	8,741
Other receipts	67,133	1,292	775	-	25,719	-	-
Total receipts	<u>1,751,805</u>	<u>314,956</u>	<u>19,146</u>	<u>54,996</u>	<u>25,719</u>	<u>-</u>	<u>8,741</u>
Disbursements:							
Personal services	1,121,287	179,969	-	-	-	-	-
Supplies	86,888	49,911	-	41,367	-	-	-
Other services and charges	536,876	32,150	-	11,302	440	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	182	42,148	18,121	-	-	-	2,940
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,170	-	-	-	4,292	-	-
Total disbursements	<u>1,748,403</u>	<u>304,178</u>	<u>18,121</u>	<u>52,669</u>	<u>4,732</u>	<u>-</u>	<u>2,940</u>
Excess (deficiency) of receipts over disbursements	<u>3,402</u>	<u>10,778</u>	<u>1,025</u>	<u>2,327</u>	<u>20,987</u>	<u>-</u>	<u>5,801</u>
Cash and investments - ending	<u>\$ 133,503</u>	<u>\$ 115,929</u>	<u>\$ 30,000</u>	<u>\$ 8,449</u>	<u>\$ 26,668</u>	<u>\$ 1,410</u>	<u>\$ 8,021</u>

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

	Riverboat	State Grants	Park & Recreation	Fire Grant	Park Gift	Downtown Redevelopment	Thompson Beautification
Cash and investments - beginning	\$ 50,026	\$ 3,190	\$ 25,224	\$ 405	\$ 76,080	\$ 610	\$ 1,963
Receipts:							
Taxes	-	-	113,606	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	27,266	273,042	1,152	-	-	-	-
Charges for services	-	-	1,867	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	3,230	-	9,783	-	37,388
Total receipts	<u>27,266</u>	<u>273,042</u>	<u>119,855</u>	<u>-</u>	<u>9,783</u>	<u>-</u>	<u>37,388</u>
Disbursements:							
Personal services	-	-	57,992	-	-	-	-
Supplies	-	-	21,673	-	6,297	-	20,435
Other services and charges	-	273,042	17,877	-	41,113	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,986	-	3,000	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,986</u>	<u>273,042</u>	<u>100,542</u>	<u>-</u>	<u>47,410</u>	<u>-</u>	<u>20,435</u>
Excess (deficiency) of receipts over disbursements	<u>25,280</u>	<u>-</u>	<u>19,313</u>	<u>-</u>	<u>(37,627)</u>	<u>-</u>	<u>16,953</u>
Cash and investments - ending	<u>\$ 75,306</u>	<u>\$ 3,190</u>	<u>\$ 44,537</u>	<u>\$ 405</u>	<u>\$ 38,453</u>	<u>\$ 610</u>	<u>\$ 18,916</u>

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

	Sports/ Recreation	Reimbursement Grants	CDBG Grant DR2-09-077	Rainy Day	Land Purchase	TIF Number 2 - Warren
Cash and investments - beginning	\$ 39,450	\$ 24,556	\$ -	\$ 236,693	\$ 24,937	\$ 1,535,409
Receipts:						
Taxes	84,472	-	-	-	-	722,906
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,148	47,823	171,750	72,568	-	-
Charges for services	49,854	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	582	-	-	-	-	2,020
Total receipts	<u>136,056</u>	<u>47,823</u>	<u>171,750</u>	<u>72,568</u>	<u>-</u>	<u>724,926</u>
Disbursements:						
Personal services	83,398	15,577	-	-	-	-
Supplies	14,511	-	-	-	-	-
Other services and charges	39,687	-	-	51,617	-	354,539
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	56,629	171,750	-	-	-
Total disbursements	<u>137,596</u>	<u>72,206</u>	<u>171,750</u>	<u>51,617</u>	<u>-</u>	<u>354,539</u>
Excess (deficiency) of receipts over disbursements	<u>(1,540)</u>	<u>(24,383)</u>	<u>-</u>	<u>20,951</u>	<u>-</u>	<u>370,387</u>
Cash and investments - ending	<u>\$ 37,910</u>	<u>\$ 173</u>	<u>\$ -</u>	<u>\$ 257,644</u>	<u>\$ 24,937</u>	<u>\$ 1,905,796</u>

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

	Ligonier Forfeiture Fund	Redevelopment Authority Lease Payment	General Obligation Bonds	Redevelopment Authority Debt Service Reserve	Cumulative Capital Development	Park Nonreverting Capital
Cash and investments - beginning	\$ -	\$ 120,964	\$ -	\$ 269,019	\$ 183,691	\$ 6,603
Receipts:						
Taxes	-	-	-	2,470	57,129	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	663	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	1,274	-	-	-	-	-
Other receipts	-	271,500	906,100	-	-	-
Total receipts	<u>1,274</u>	<u>271,500</u>	<u>906,100</u>	<u>2,470</u>	<u>57,792</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	21,114	-	-	-
Debt service - principal and interest	-	271,500	-	-	-	-
Capital outlay	-	-	328,849	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	637	-	-	-	-	-
Total disbursements	<u>637</u>	<u>271,500</u>	<u>349,963</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>637</u>	<u>-</u>	<u>556,137</u>	<u>2,470</u>	<u>57,792</u>	<u>-</u>
Cash and investments - ending	<u>\$ 637</u>	<u>\$ 120,964</u>	<u>\$ 556,137</u>	<u>\$ 271,489</u>	<u>\$ 241,483</u>	<u>\$ 6,603</u>

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

	Debt Service	Cumulative Building and Fire Fighting Equipment	General Improvement	Cumulative Capital Improvement	CEDIT	Payroll
Cash and investments - beginning	\$ 612,699	\$ 96,593	\$ 121,104	\$ 48,003	\$ 93,392	\$ (41,575)
Receipts:						
Taxes	30,459	31,087	20,657	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	361	-	12,757	173,443	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,023	-	-	-	1,388,453
Total receipts	<u>30,459</u>	<u>32,471</u>	<u>20,657</u>	<u>12,757</u>	<u>173,443</u>	<u>1,388,453</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	103,756	-
Debt service - principal and interest	583,161	-	-	-	-	-
Capital outlay	-	24,149	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,324,380
Total disbursements	<u>583,161</u>	<u>24,149</u>	<u>-</u>	<u>-</u>	<u>103,756</u>	<u>1,324,380</u>
Excess (deficiency) of receipts over disbursements	<u>(552,702)</u>	<u>8,322</u>	<u>20,657</u>	<u>12,757</u>	<u>69,687</u>	<u>64,073</u>
Cash and investments - ending	<u>\$ 59,997</u>	<u>\$ 104,915</u>	<u>\$ 141,761</u>	<u>\$ 60,760</u>	<u>\$ 163,079</u>	<u>\$ 22,498</u>

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

	Indiana Employment	Wastewater Utility - Operating	Wastewater Utility - Bond and Interest	Wastewater Utility - Depreciation	Wastewater Utility - Construction	Wastewater Utility - Debt Service Reserve
Cash and investments - beginning	\$ (704)	\$ 2,175,044	\$ 928,134	\$ 240,762	\$ 100	\$ 378,404
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	704	990,163	812,492	377,968	-	-
Total receipts	<u>704</u>	<u>990,163</u>	<u>812,492</u>	<u>377,968</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	853,706	813,626	-	-	375,000
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>853,706</u>	<u>813,626</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Excess (deficiency) of receipts over disbursements	<u>704</u>	<u>136,457</u>	<u>(1,134)</u>	<u>377,968</u>	<u>-</u>	<u>(375,000)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,311,501</u>	<u>\$ 927,000</u>	<u>\$ 618,730</u>	<u>\$ 100</u>	<u>\$ 3,404</u>

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

	Water Utility - Operating	Water Utility - Bond and Interest	Water Utility - Depreciation	Water Utility - Customer Deposit	Water Utility - Debt Service Reserve	Totals
Cash and investments - beginning	\$ 140,477	\$ 17,063	\$ 11,790	\$ 1,926	\$ 326,828	\$ 8,028,520
Receipts:						
Taxes	-	-	-	-	-	2,265,144
Licenses and permits	-	-	-	-	-	3,650
Intergovernmental	-	-	-	-	-	1,415,192
Charges for services	-	-	-	-	-	285,139
Fines and forfeits	-	-	-	-	-	9,073
Other receipts	755,697	310,771	-	69	942	5,963,804
Total receipts	<u>755,697</u>	<u>310,771</u>	<u>-</u>	<u>69</u>	<u>942</u>	<u>9,942,002</u>
Disbursements:						
Personal services	-	-	-	-	-	1,458,223
Supplies	-	-	-	-	-	241,082
Other services and charges	-	-	-	-	-	1,483,513
Debt service - principal and interest	-	-	-	-	-	854,661
Capital outlay	-	-	-	-	-	421,375
Utility operating expenses	750,811	309,733	11,790	69	-	3,114,735
Other disbursements	-	-	-	-	-	1,560,858
Total disbursements	<u>750,811</u>	<u>309,733</u>	<u>11,790</u>	<u>69</u>	<u>-</u>	<u>9,134,447</u>
Excess (deficiency) of receipts over disbursements	<u>4,886</u>	<u>1,038</u>	<u>(11,790)</u>	<u>-</u>	<u>942</u>	<u>807,555</u>
Cash and investments - ending	<u>\$ 145,363</u>	<u>\$ 18,101</u>	<u>\$ -</u>	<u>\$ 1,926</u>	<u>\$ 327,770</u>	<u>\$ 8,836,075</u>

CITY OF LIGONIER
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:		
Truck	\$ 12,513	\$ 6,753
Fire Truck	46,534	48,299
Injection Patcher Trailer	30,883	8,872
Bonds payable:		
General obligation bonds:		
Street Improvements	440,000	238,918
Redevelopment Lease Rental Bonds	2,235,000	270,303
Street Improvement and Paving	<u>535,000</u>	<u>12,959</u>
Total governmental activities debt	<u>\$ 3,299,930</u>	<u>\$ 586,104</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1998 Revenue Bonds	\$ 1,690,000	197,920
2003 Revenue Bonds	<u>1,080,000</u>	<u>108,192</u>
Total Water Utility	<u>2,770,000</u>	<u>306,112</u>
Wastewater Utility:		
Revenue bonds:		
2002 Bonds (Loan)	1,704,000	101,266
2005 Revenue Bonds	2,420,000	261,278
2006 Revenue Bonds	<u>4,000,000</u>	<u>92,154</u>
Total Wastewater Utility	<u>8,124,000</u>	<u>454,698</u>
Total business-type activities debt	<u>\$ 10,894,000</u>	<u>\$ 760,810</u>

CITY OF LIGONIER
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The City does not maintain sufficient detailed records of capital assets for the City, Water Utility, and Wastewater Utility. Upon purchase, the costs of the capital assets are not added to a listing of capital assets. Records classifying and summarizing the capital assets are incomplete. Deletions or disposals of capital assets are not recorded. This comment was included in prior Reports B35364 and B37825.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF LIGONIER
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2011, with Patricia Fisel, Mayor, and Barb Hawn, Clerk-Treasurer. The officials concurred with our finding.