

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF LOOGOOTEE

MARTIN COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/21/2012



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OFFICIALS

| <u>Office</u>                             | <u>Official</u>                        | <u>Term</u>                                  |
|-------------------------------------------|----------------------------------------|----------------------------------------------|
| Clerk-Treasurer                           | Nancy L. Jones                         | 01-01-08 to 12-31-15                         |
| Mayor                                     | Donald F. Bowling<br>Noel D. Harty     | 01-01-08 to 12-31-11<br>01-01-12 to 12-31-15 |
| President of the Board of<br>Public Works | Donald F. Bowling<br>Noel D. Harty     | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-12 |
| President of the Common Council           | Phyllis Parker<br>Donald "Rick" Norris | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-12 |
| Superintendent of Utilities               | James E. Wilson                        | 01-01-11 to 12-31-12                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LOOGOOTEE, MARTIN COUNTY, INDIANA

We have examined the financial statement of the City of Loogootee (City), for the period of January 1, 2011 to December 31, 2011. 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.

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, 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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, Common Council, Board of Public Works, and others within the entity 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

July 2, 2012

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## 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 LOOGOOTEE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

| Fund                                           | Cash and<br>Investments<br>01-01-11 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-11 |
|------------------------------------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| General                                        | \$ 357,037                          | \$ 660,656          | \$ 706,080          | \$ 311,613                          |
| Motor Vehicle Highway                          | 4,118                               | 189,853             | 149,230             | 44,741                              |
| Local Road And Street                          | 9,779                               | 10,511              | 12,000              | 8,290                               |
| Law Enforcement Continuing Education           | 6,099                               | 905                 | 4,517               | 2,487                               |
| Riverboat                                      | 27,149                              | 18,578              | 18,057              | 27,670                              |
| Parks And Recreation                           | 10,928                              | 52,610              | 48,662              | 14,876                              |
| Rainy Day                                      | 46,136                              | -                   | -                   | 46,136                              |
| Levy Excess                                    | 1,360                               | -                   | 1,360               | -                                   |
| Cumulative Capital Improvement (Cigarette Tax) | 12,297                              | 7,872               | 10,000              | 10,169                              |
| Cumulative Capital Development                 | 819                                 | 17,967              | 10,875              | 7,911                               |
| Cumulative Capital Improvement (Special Fire)  | 25,796                              | 12,464              | 4,100               | 34,160                              |
| County Economic Development Income Tax         | 70,150                              | 66,019              | 40,816              | 95,353                              |
| Police Pension                                 | 66,246                              | 22,989              | 15,548              | 73,687                              |
| Gospel House Cleanup                           | 10,424                              | -                   | 10,424              | -                                   |
| Donations                                      | 7,830                               | 3,364               | 2,736               | 8,458                               |
| Police Equipment And Training                  | 1,979                               | -                   | 1,469               | 510                                 |
| Payroll                                        | -                                   | 718,017             | 718,017             | -                                   |
| Suspense Fund                                  | -                                   | 1,598,593           | 1,598,593           | -                                   |
| Payroll Withholdings                           | -                                   | 149,729             | 149,729             | -                                   |
| Sewage Operating Cash Fund                     | 69,944                              | 886,187             | 923,542             | 32,589                              |
| Sewage Bond Redemption Cash Fund               | 285,553                             | 344,280             | 343,575             | 286,258                             |
| Sewage Depreciation Cash Fund                  | 426,988                             | -                   | -                   | 426,988                             |
| Sewage Debt Reserve Cash Fund                  | 361,905                             | -                   | -                   | 361,905                             |
| Water Operating Cash Fund                      | 11,498                              | 778,316             | 738,335             | 51,479                              |
| Water Bond Redemption Cash Fund                | 29,909                              | 309,960             | 309,940             | 29,929                              |
| Water Depreciation Cash Fund                   | 116,984                             | -                   | 20,352              | 96,632                              |
| Meter Deposit Cash Fund                        | 83,572                              | 15,200              | 11,302              | 87,470                              |
| Cash Change Fund                               | 50                                  | -                   | -                   | 50                                  |
| Water Debt Reserve Cash Fund                   | 318,955                             | -                   | -                   | 318,955                             |
| Totals                                         | <u>\$ 2,363,505</u>                 | <u>\$ 5,864,070</u> | <u>\$ 5,849,259</u> | <u>\$ 2,378,316</u>                 |

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

CITY OF LOOGOOTEE  
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, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

*B. Basis of Accounting*

The financial statement is 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 include 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.

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

CITY OF LOOGOOTEE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 include 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.

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.

CITY OF LOOGOOTEE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

CITY OF LOOGOOTEE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 any replacement items purchased.

**Note 6. Pension Plans**

*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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

CITY OF LOOGOOTEE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 Indiana Public Retirement System 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 Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

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

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement 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 approved by management of the City. It is presented as intended by the City.

CITY OF LOOGOOTEE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

|                                                    | General           | Motor<br>Vehicle<br>Highway | Local<br>Road<br>And<br>Street | Law<br>Enforcement<br>Continuing<br>Education | Riverboat        | Parks<br>And<br>Recreation |
|----------------------------------------------------|-------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------|----------------------------|
| Cash and investments - beginning                   | \$ 357,037        | \$ 4,118                    | \$ 9,779                       | \$ 6,099                                      | \$ 27,149        | \$ 10,928                  |
| Receipts:                                          |                   |                             |                                |                                               |                  |                            |
| Taxes                                              | 323,833           | 63,639                      | -                              | -                                             | -                | 31,791                     |
| Licenses and permits                               | 8,304             | -                           | -                              | 625                                           | -                | -                          |
| Intergovernmental                                  | 280,610           | 100,639                     | 10,511                         | -                                             | 17,154           | 3,734                      |
| Charges for services                               | 24,251            | 366                         | -                              | -                                             | -                | 17,085                     |
| Fines and forfeits                                 | 9,576             | -                           | -                              | 280                                           | -                | -                          |
| Utility fees                                       | -                 | -                           | -                              | -                                             | -                | -                          |
| Penalties                                          | -                 | -                           | -                              | -                                             | -                | -                          |
| Other receipts                                     | 14,082            | 25,209                      | -                              | -                                             | 1,424            | -                          |
| Total receipts                                     | <u>660,656</u>    | <u>189,853</u>              | <u>10,511</u>                  | <u>905</u>                                    | <u>18,578</u>    | <u>52,610</u>              |
| Disbursements:                                     |                   |                             |                                |                                               |                  |                            |
| Personal services                                  | 458,492           | 124,595                     | -                              | -                                             | -                | 28,135                     |
| Supplies                                           | 24,793            | 15,627                      | -                              | -                                             | 2,680            | 4,614                      |
| Other services and charges                         | 187,985           | 9,008                       | 12,000                         | -                                             | 3,180            | 14,516                     |
| Debt service - principal and interest              | -                 | -                           | -                              | -                                             | 12,197           | -                          |
| Capital outlay                                     | 34,810            | -                           | -                              | 4,517                                         | -                | 1,210                      |
| Utility operating expenses                         | -                 | -                           | -                              | -                                             | -                | -                          |
| Other disbursements                                | -                 | -                           | -                              | -                                             | -                | 187                        |
| Total disbursements                                | <u>706,080</u>    | <u>149,230</u>              | <u>12,000</u>                  | <u>4,517</u>                                  | <u>18,057</u>    | <u>48,662</u>              |
| Excess (deficiency) of receipts over disbursements | <u>(45,424)</u>   | <u>40,623</u>               | <u>(1,489)</u>                 | <u>(3,612)</u>                                | <u>521</u>       | <u>3,948</u>               |
| Cash and investments - ending                      | <u>\$ 311,613</u> | <u>\$ 44,741</u>            | <u>\$ 8,290</u>                | <u>\$ 2,487</u>                               | <u>\$ 27,670</u> | <u>\$ 14,876</u>           |

CITY OF LOOGOOTEE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

|                                                    | Rainy<br>Day     | Levy<br>Excess | Cumulative<br>Capital<br>Improvement<br>(Cigarette<br>Tax) | Cumulative<br>Capital<br>Development | Cumulative<br>Capital<br>Improvement<br>(Special<br>Fire) | County<br>Economic<br>Development<br>Income<br>Tax |
|----------------------------------------------------|------------------|----------------|------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| Cash and investments - beginning                   | \$ 46,136        | \$ 1,360       | \$ 12,297                                                  | \$ 819                               | \$ 25,796                                                 | \$ 70,150                                          |
| Receipts:                                          |                  |                |                                                            |                                      |                                                           |                                                    |
| Taxes                                              | -                | -              | -                                                          | 16,636                               | 10,597                                                    | -                                                  |
| Licenses and permits                               | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Intergovernmental                                  | -                | -              | 7,872                                                      | 1,331                                | 1,867                                                     | 55,248                                             |
| Charges for services                               | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Fines and forfeits                                 | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Utility fees                                       | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Penalties                                          | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Other receipts                                     | -                | -              | -                                                          | -                                    | -                                                         | 10,771                                             |
| Total receipts                                     | -                | -              | 7,872                                                      | 17,967                               | 12,464                                                    | 66,019                                             |
| Disbursements:                                     |                  |                |                                                            |                                      |                                                           |                                                    |
| Personal services                                  | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Supplies                                           | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Other services and charges                         | -                | -              | 10,000                                                     | 10,875                               | 600                                                       | 37                                                 |
| Debt service - principal and interest              | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Capital outlay                                     | -                | -              | -                                                          | -                                    | 3,500                                                     | 15,779                                             |
| Utility operating expenses                         | -                | -              | -                                                          | -                                    | -                                                         | -                                                  |
| Other disbursements                                | -                | 1,360          | -                                                          | -                                    | -                                                         | 25,000                                             |
| Total disbursements                                | -                | 1,360          | 10,000                                                     | 10,875                               | 4,100                                                     | 40,816                                             |
| Excess (deficiency) of receipts over disbursements | -                | (1,360)        | (2,128)                                                    | 7,092                                | 8,364                                                     | 25,203                                             |
| Cash and investments - ending                      | <u>\$ 46,136</u> | <u>\$ -</u>    | <u>\$ 10,169</u>                                           | <u>\$ 7,911</u>                      | <u>\$ 34,160</u>                                          | <u>\$ 95,353</u>                                   |

CITY OF LOOGOOTEE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

|                                                    | Police<br>Pension | Gospel<br>House<br>Cleanup | Donations       | Police<br>Equipment<br>And<br>Training | Payroll     | Suspense<br>Fund |
|----------------------------------------------------|-------------------|----------------------------|-----------------|----------------------------------------|-------------|------------------|
| Cash and investments - beginning                   | \$ 66,246         | \$ 10,424                  | \$ 7,830        | \$ 1,979                               | \$ -        | \$ -             |
| Receipts:                                          |                   |                            |                 |                                        |             |                  |
| Taxes                                              | -                 | -                          | -               | -                                      | -           | -                |
| Licenses and permits                               | -                 | -                          | -               | -                                      | -           | -                |
| Intergovernmental                                  | -                 | -                          | -               | -                                      | -           | -                |
| Charges for services                               | -                 | -                          | -               | -                                      | -           | -                |
| Fines and forfeits                                 | -                 | -                          | -               | -                                      | -           | -                |
| Utility fees                                       | -                 | -                          | -               | -                                      | -           | -                |
| Penalties                                          | -                 | -                          | -               | -                                      | -           | -                |
| Other receipts                                     | 22,989            | -                          | 3,364           | -                                      | 718,017     | 1,598,593        |
| Total receipts                                     | 22,989            | -                          | 3,364           | -                                      | 718,017     | 1,598,593        |
| Disbursements:                                     |                   |                            |                 |                                        |             |                  |
| Personal services                                  | 15,548            | -                          | -               | -                                      | 675,384     | -                |
| Supplies                                           | -                 | -                          | -               | -                                      | -           | -                |
| Other services and charges                         | -                 | -                          | -               | -                                      | 42,633      | -                |
| Debt service - principal and interest              | -                 | -                          | -               | -                                      | -           | -                |
| Capital outlay                                     | -                 | -                          | 2,736           | 1,469                                  | -           | -                |
| Utility operating expenses                         | -                 | -                          | -               | -                                      | -           | -                |
| Other disbursements                                | -                 | 10,424                     | -               | -                                      | -           | 1,598,593        |
| Total disbursements                                | 15,548            | 10,424                     | 2,736           | 1,469                                  | 718,017     | 1,598,593        |
| Excess (deficiency) of receipts over disbursements | 7,441             | (10,424)                   | 628             | (1,469)                                | -           | -                |
| Cash and investments - ending                      | <u>\$ 73,687</u>  | <u>\$ -</u>                | <u>\$ 8,458</u> | <u>\$ 510</u>                          | <u>\$ -</u> | <u>\$ -</u>      |

CITY OF LOOGOOTEE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

|                                                    | Payroll<br>Withholdings | Sewage<br>Operating<br>Cash<br>Fund | Sewage<br>Bond<br>Redemption<br>Cash<br>Fund | Sewage<br>Depreciation<br>Cash<br>Fund | Sewage<br>Debt<br>Reserve<br>Cash<br>Fund | Water<br>Operating<br>Cash<br>Fund |
|----------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------------|----------------------------------------|-------------------------------------------|------------------------------------|
| Cash and investments - beginning                   | \$ -                    | \$ 69,944                           | \$ 285,553                                   | \$ 426,988                             | \$ 361,905                                | \$ 11,498                          |
| Receipts:                                          |                         |                                     |                                              |                                        |                                           |                                    |
| Taxes                                              | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Licenses and permits                               | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Intergovernmental                                  | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Charges for services                               | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Fines and forfeits                                 | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Utility fees                                       | -                       | 850,724                             | -                                            | -                                      | -                                         | 765,331                            |
| Penalties                                          | -                       | 17,153                              | -                                            | -                                      | -                                         | 4,546                              |
| Other receipts                                     | 149,729                 | 18,310                              | 344,280                                      | -                                      | -                                         | 8,439                              |
| Total receipts                                     | <u>149,729</u>          | <u>886,187</u>                      | <u>344,280</u>                               | <u>-</u>                               | <u>-</u>                                  | <u>778,316</u>                     |
| Disbursements:                                     |                         |                                     |                                              |                                        |                                           |                                    |
| Personal services                                  | 149,729                 | -                                   | -                                            | -                                      | -                                         | -                                  |
| Supplies                                           | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Other services and charges                         | -                       | -                                   | -                                            | -                                      | -                                         | -                                  |
| Debt service - principal and interest              | -                       | 344,280                             | 343,575                                      | -                                      | -                                         | 309,960                            |
| Capital outlay                                     | -                       | 36,543                              | -                                            | -                                      | -                                         | -                                  |
| Utility operating expenses                         | -                       | 542,719                             | -                                            | -                                      | -                                         | 359,863                            |
| Other disbursements                                | -                       | -                                   | -                                            | -                                      | -                                         | 68,512                             |
| Total disbursements                                | <u>149,729</u>          | <u>923,542</u>                      | <u>343,575</u>                               | <u>-</u>                               | <u>-</u>                                  | <u>738,335</u>                     |
| Excess (deficiency) of receipts over disbursements | <u>-</u>                | <u>(37,355)</u>                     | <u>705</u>                                   | <u>-</u>                               | <u>-</u>                                  | <u>39,981</u>                      |
| Cash and investments - ending                      | <u>\$ -</u>             | <u>\$ 32,589</u>                    | <u>\$ 286,258</u>                            | <u>\$ 426,988</u>                      | <u>\$ 361,905</u>                         | <u>\$ 51,479</u>                   |

CITY OF LOOGOOTEE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

|                                                    | Water<br>Bond<br>Redemption<br>Cash<br>Fund | Water<br>Depreciation<br>Cash<br>Fund | Meter<br>Deposit<br>Cash<br>Fund | Cash<br>Change<br>Fund | Water<br>Debt<br>Reserve<br>Cash<br>Fund | Totals              |
|----------------------------------------------------|---------------------------------------------|---------------------------------------|----------------------------------|------------------------|------------------------------------------|---------------------|
| Cash and investments - beginning                   | \$ 29,909                                   | \$ 116,984                            | \$ 83,572                        | \$ 50                  | \$ 318,955                               | \$ 2,363,505        |
| Receipts:                                          |                                             |                                       |                                  |                        |                                          |                     |
| Taxes                                              | -                                           | -                                     | -                                | -                      | -                                        | 446,496             |
| Licenses and permits                               | -                                           | -                                     | -                                | -                      | -                                        | 8,929               |
| Intergovernmental                                  | -                                           | -                                     | -                                | -                      | -                                        | 478,966             |
| Charges for services                               | -                                           | -                                     | -                                | -                      | -                                        | 41,702              |
| Fines and forfeits                                 | -                                           | -                                     | -                                | -                      | -                                        | 9,856               |
| Utility fees                                       | -                                           | -                                     | -                                | -                      | -                                        | 1,616,055           |
| Penalties                                          | -                                           | -                                     | -                                | -                      | -                                        | 21,699              |
| Other receipts                                     | 309,960                                     | -                                     | 15,200                           | -                      | -                                        | 3,240,367           |
| Total receipts                                     | <u>309,960</u>                              | <u>-</u>                              | <u>15,200</u>                    | <u>-</u>               | <u>-</u>                                 | <u>5,864,070</u>    |
| Disbursements:                                     |                                             |                                       |                                  |                        |                                          |                     |
| Personal services                                  | -                                           | -                                     | -                                | -                      | -                                        | 1,451,883           |
| Supplies                                           | -                                           | -                                     | -                                | -                      | -                                        | 47,714              |
| Other services and charges                         | -                                           | -                                     | -                                | -                      | -                                        | 290,834             |
| Debt service - principal and interest              | 309,940                                     | -                                     | -                                | -                      | -                                        | 1,319,952           |
| Capital outlay                                     | -                                           | 20,352                                | -                                | -                      | -                                        | 120,916             |
| Utility operating expenses                         | -                                           | -                                     | -                                | -                      | -                                        | 902,582             |
| Other disbursements                                | -                                           | -                                     | 11,302                           | -                      | -                                        | 1,715,378           |
| Total disbursements                                | <u>309,940</u>                              | <u>20,352</u>                         | <u>11,302</u>                    | <u>-</u>               | <u>-</u>                                 | <u>5,849,259</u>    |
| Excess (deficiency) of receipts over disbursements | <u>20</u>                                   | <u>(20,352)</u>                       | <u>3,898</u>                     | <u>-</u>               | <u>-</u>                                 | <u>14,811</u>       |
| Cash and investments - ending                      | <u>\$ 29,929</u>                            | <u>\$ 96,632</u>                      | <u>\$ 87,470</u>                 | <u>\$ 50</u>           | <u>\$ 318,955</u>                        | <u>\$ 2,378,316</u> |

CITY OF LOOGOOTEE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

| Government or Enterprise | Accounts<br>Payable | Accounts<br>Receivable |
|--------------------------|---------------------|------------------------|
| Governmental activities  | \$ 5,868            | \$ -                   |
| Wastewater               | 525                 | 70,258                 |
| Water                    | 42                  | 55,154                 |
| Totals                   | \$ 6,435            | \$ 125,412             |

CITY OF LOOGOTEE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

| Lessor                                   | Purpose                 | Annual<br>Lease<br>Payment | Lease<br>Beginning<br>Date | Lease<br>Ending<br>Date |
|------------------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities:<br>GABC Leasing | purchase street sweeper | \$ 12,197                  | 11-16-09                   | 09-15-14                |
| Wastewater:<br>GABC Leasing              | purchase vac truck      | 17,719                     | 10-08-10                   | 10-08-13                |
| Total of annual lease payments           |                         | <u>\$ 29,916</u>           |                            |                         |

| Description of Debt          |                                                   | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|------------------------------|---------------------------------------------------|--------------------------------|-----------------------------------------------------|
| Type                         | Purpose                                           |                                |                                                     |
| Wastewater:<br>Revenue bonds | treatment plant and storage facility improvements | \$ 2,980,000                   | \$ 346,075,000                                      |
| Water:<br>Revenue bonds      | refunding bond                                    | 165,000                        | 89,325                                              |
| Revenue bonds                | improve tanks plant and mains                     | 520,000                        | 120,075                                             |
| Revenue bonds                | improvements to mains and loop                    | <u>1,350,000</u>               | <u>105,767</u>                                      |
| Total Water                  |                                                   | <u>2,035,000</u>               | <u>315,167</u>                                      |
| Totals                       |                                                   | <u>\$ 5,015,000</u>            | <u>\$ 346,390,167</u>                               |

CITY OF LOOGOTEE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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.

|                                   | Ending<br>Balance |
|-----------------------------------|-------------------|
| Governmental activities:          |                   |
| Land                              | \$ 75,953         |
| Infrastructure                    | 1,241,747         |
| Buildings                         | 220,291           |
| Improvements other than buildings | 292,989           |
| Machinery, equipment and vehicles | 1,104,524         |
| Total governmental activities     | 2,935,504         |
| Wastewater:                       |                   |
| Land                              | 19,900            |
| Infrastructure                    | 2,863,910         |
| Buildings                         | 4,715,449         |
| Improvements other than buildings | 1,938,663         |
| Machinery, equipment and vehicles | 104,665           |
| Total Wastewater                  | 9,642,587         |
| Water:                            |                   |
| Land                              | 51,620            |
| Infrastructure                    | 1,152,422         |
| Buildings                         | 5,178,352         |
| Improvements other than buildings | 961,174           |
| Machinery, equipment and vehicles | 82,728            |
| Total Water                       | 7,426,296         |
| Total capital assets              | \$ 20,004,387     |

CITY OF LOOGOOTEE  
EXAMINATION RESULTS AND COMMENTS

**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.

**APPROPRIATIONS**

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

| <u>Fund</u>                    | <u>Year</u> | <u>Excess<br/>Amount<br/>Amount</u> |
|--------------------------------|-------------|-------------------------------------|
| Cumulative Capital Development | 2011        | <u>\$ 2,249</u>                     |

Indiana Code 6-1.1-18-4 states, in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**ORDINANCES AND RESOLUTIONS**

The City of Loogootee has a Policy and Procedure Manual concerning compensatory leave. There were three exceptions taken to compensatory leave.

Nonexempt employees may accumulate 160 hours of compensatory leave. Employees with public safety activities may accumulate 320 hours of compensatory leave. Two nonexempt employees and one employee with public safety activities each had a compensatory leave balance over the allowed amount as of December 31, 2011.

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)

A similar comment appeared in the prior reports.

CITY OF LOOGOOTEE  
EXAMINATION RESULTS AND COMMENTS  
(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. . . ."

A similar comment appeared in the prior reports.

CITY OF LOOGOOTEE  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2012, with Noel D. Harty, Mayor; Nancy L. Jones, Clerk-Treasurer; and Donald "Rick" Norris, President of the Common Council. The officials concurred with our findings.