

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF LOGANSPOUT
CASS COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
11/20/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Sue Hayworth	01-01-12 to 12-31-15
Mayor	Ted Franklin	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Ted Franklin	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Joseph Buck	01-01-13 to 12-31-14
Chairman of the Utility Service Board	John Davis Jay King	08-01-12 to 07-31-13 08-01-13 to 07-31-14
Superintendent of Utilities	Paul Hartman	01-01-13 to 12-31-14
Utility Office Manager	LuAnn Davis	01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF LOGANSPOUT, CASS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Logansport (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

June 25, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF LOGANSPOUT, CASS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Logansport (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated June 25, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, and 2013-003 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, and 2013-003.

City of Logansport's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 25, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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 LOGANSPOUT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 5,581,626	\$ 7,788,019	\$ 8,610,377	\$ 4,759,268
MOTOR VEHICLE HWY/STR	749,380	1,253,869	995,950	1,007,299
LOCAL ROADS/ST FUND	73,532	71,420	100,000	44,952
PARK OPERATING	60,988	32,950	57,843	36,095
NR LOGANSPOUT HEALTH INS	694,163	-	194,163	500,000
NR UNSAFE BLDG FUND	223,503	62,996	220,814	65,685
RAINY DAY FUND	900,412	733	254,863	646,282
E.D. INC TAX (CEDIT) FUND	3,625,352	531,366	1,488,269	2,668,449
PARK CAPITAL IMPROVEMENT	292	-	-	292
NR DRUG INVEST./EQUIPMENT	4,930	961	1,892	3,999
CUMULATIVE CAPITAL FUND	176,101	49,035	-	225,136
TIF - INDUSTRIAL PARK	1,279,329	224,539	16,206	1,487,662
POLICE PENSION FUND	434,063	1,504,141	1,640,698	297,506
FIRE PENSION FUND	578,000	947,843	1,032,748	493,095
LOIT PUBLIC SAFETY FUND	512,530	514,461	296,515	730,476
EPA GRANT FUND	-	187,166	187,166	-
DONATION FUND	10,414	15,741	10,589	15,566
FORESTRY/EXACT GRANT	2,830	-	-	2,830
CHASE ROAD PROJECT	1,578	13,473	15,051	-
LAND & WATER CF GRANT	101,700	98,300	200,000	-
AIP ENVIRONMENTAL GRANT	392	-	-	392
RECREATION TRAILS PROG GR	3,213	-	-	3,213
NR GRANT ADMINISTRATIVE	70,499	-	4,968	65,531
CDBG IN HOUSING GR 005	50	-	-	50
SAFE ROUTES-INDOT GRANT	240,532	34,950	25,482	250,000
TE EEL RIVER RUN TRAIL	(100,042)	127,704	27,616	46
18TH STREET CORRIDOR	-	377,192	165,494	211,698
POLICE RESERVE FUND	190	-	-	190
NR HOST COMM AGREE	943,440	421,549	112,198	1,252,791
CEMETERY PERPETUAL FD	72,699	4,978	-	77,677
CEMETERY ENDOWMENT	9,078	-	-	9,078
CALVARY PERPETUAL FUND	51,162	-	-	51,162
SPRY CHARITABLE FUND	10,252	-	-	10,252
PRATT CHARITABLE FUND	5,051	-	-	5,051
BEN H LONG FUND	473	-	-	473
BLITZ GRANT FUND	1	3,792	4,572	(779)
BULLETPROOF VEST FUND	7,627	-	-	7,627
NR INFRASTRUC MAINT FD	886,956	100,000	260,000	726,956
FIRE REPORT	671	66	-	737
EASTGATE PROPERTY FUND	528,127	34,000	1,593	560,534
NR HUSTON PARK DEV FUND	112,823	59,875	117,274	55,424
NR GOLF OPERATING FUND	154,200	398,897	405,571	147,526
LOGAN EQUIP NR CAPITAL FD	1,247,505	1,293	360,000	888,798
MUN. BLDG CORP/IVY TECH	100,174	284,679	311,500	73,353

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

CITY OF LOGANSPOUT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
NR LAW ENFORCE FUND	61,834	19,358	20,201	60,991
FIRE STA & ST BARN CONST	276	-	-	276
NR LAND DEV MT HOPE CEM	30,599	24,306	-	54,905
LITTLE TURTLE GRT/PLAZA	484	-	-	484
NR OLD US HWY RELINQ	440,320	32,540	18,123	454,737
LMU PAYROLL W/H CLEARING	-	2,125,456	2,125,456	-
PAYROLL FUND	-	3,262,199	3,262,199	-
TIF - LOGANS LANDING	609,038	194,744	163,674	640,108
TIF - EAST END	93,369	174,796	53,488	214,677
TIF - GATEWAY COMMERCE	5,663	10,513	1,472	14,704
SOLID WASTE DISTRICT FUND	27,456	10,922	-	38,378
LAND & WATER PHASE 2	(56,904)	56,905	26,109	(26,108)
TE EEL RIVER RUN BRIDGE	-	148,802	128,583	20,219
GIVING PROGRAM GRANT	-	4,000	-	4,000
SAFE ROUTES-FAIRVIEW	-	-	14,881	(14,881)
INDOT GRANT-PAVEMENT MARK	-	6,631	6,631	-
OCDETF - DEA GRANT	-	4,952	6,376	(1,424)
UTILITY HEALTH INS TRUST	603,469	1,100,276	1,249,310	454,435
UTILITY HEALTH INSURANCE CHECKING	-	1,163,543	1,140,373	23,170
EMPLOYEE BANK VACATION	320,014	5,942	19,118	306,838
ELECTRIC OPERATING HI-FI	1,271,321	44,809,991	44,089,744	1,991,568
ELECTRIC D&R	2,785,199	2,772	-	2,787,971
ELECTRIC CUSTOMER DEP.	151,130	13,111	-	164,241
ELECTRIC INS. RESERVE	272,936	272	-	273,208
STORMWATER CONSTRUCTION	8,863,000	3	6,434,575	2,428,428
STORMWATER D&R	1,189,889	151,322	-	1,341,211
STORMWATER BOND SINKING	-	516,624	73,120	443,504
STORMWATER OPER. RESERVE	1,083,721	301,165	-	1,384,886
STORMWATER BOND RESERVE	-	103,323	-	103,323
STORMWATER OPERATING HI-F	394,831	1,357,002	1,536,726	215,107
TRASH & GARBAGE PICKUP	143,073	740,180	773,549	109,704
SEWAGE OPERATING HI-FI	636,087	4,036,363	4,384,691	287,759
SEWAGE SINKING	1	259,624	259,602	23
SEWAGE D&R	3,712,442	404,062	-	4,116,504
SEWAGE INS. RESERVE	110,311	110	-	110,421
SEWAGE FISCAL AGENT	16,796	17	-	16,813
SEWAGE BOND RESERVE	261,182	260	-	261,442
WATER OPERATING HI-FI	155,721	3,788,033	3,626,920	316,834
WATER D&R	1,524,707	1,153	490,000	1,035,860
WATER BOND RESERVE	246,121	245	-	246,366
WATER BOND SINKING	1	245,035	245,008	28
WATER INSURANCE RESERVE	114,731	114	-	114,845
Totals	\$ 44,424,614	\$ 80,222,654	\$ 87,269,341	\$ 37,377,927

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

CITY OF LOGANSPOUT
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, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 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.

CITY OF LOGANSPOUT
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: 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 statement. 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.

CITY OF LOGANSPOUT
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.

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF LOGANSPOUT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. *Risk Management*

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

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

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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF LOGANSPOUT
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

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. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' 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 36-8-7). 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 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 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 Capitol 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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being established for reimbursable grants. The reimbursements for expenditures made by the City were not received by December 31, 2013.

Note 8. Holding Corporation

The City has entered into a capital lease with the Logansport Municipal Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year 2013 totaled \$311,500.

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SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City's 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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

CITY OF LOGANSPORT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	GENERAL FUND	MOTOR VEHICLE HWY/STR	LOCAL ROADS/ST FUND	PARK OPERATING	NR LOGANSPORT HEALTH INS	NR UNSAFE BLDG FUND	RAINY DAY FUND
Cash and investments - beginning	\$ 5,581,626	\$ 749,380	\$ 73,532	\$ 60,988	\$ 694,163	\$ 223,503	\$ 900,412
Receipts:							
Taxes	4,054,241	670,499	-	-	-	-	-
Licenses and permits	231,049	-	-	-	-	-	-
Intergovernmental	2,371,328	572,177	71,420	-	-	-	-
Charges for services	110,035	-	-	-	-	-	-
Fines and forfeits	4,522	-	-	-	-	62,858	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,016,844	11,193	-	32,950	-	138	733
Total receipts	7,788,019	1,253,869	71,420	32,950	-	62,996	733
Disbursements:							
Personal services	5,992,099	504,741	-	-	-	-	-
Supplies	336,299	135,672	-	15,085	-	-	-
Other services and charges	1,866,036	64,524	-	42,758	194,163	220,814	254,863
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	259,178	267,152	100,000	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	156,765	23,861	-	-	-	-	-
Total disbursements	8,610,377	995,950	100,000	57,843	194,163	220,814	254,863
Excess (deficiency) of receipts over disbursements	(822,358)	257,919	(28,580)	(24,893)	(194,163)	(157,818)	(254,130)
Cash and investments - ending	\$ 4,759,268	\$ 1,007,299	\$ 44,952	\$ 36,095	\$ 500,000	\$ 65,685	\$ 646,282

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	INC TAX (CREDIT) FUND	PARK CAPITAL IMPROVEMENT	NR DRUG INVEST./EQUIPMENT	CUMULATIVE CAPITAL FUND	TIF - INDUSTRIAL PARK	POLICE PENSION FUND	FIRE PENSION FUND
Cash and investments - beginning	\$ 3,625,352	\$ 292	\$ 4,930	\$ 176,101	\$ 1,279,329	\$ 434,063	\$ 578,000
Receipts:							
Taxes	-	-	-	-	223,423	-	59,348
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	499,787	-	-	49,035	-	1,451,191	5,939
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	31,579	-	961	-	1,116	52,950	882,556
Total receipts	531,366	-	961	49,035	224,539	1,504,141	947,843
Disbursements:							
Personal services	-	-	-	-	-	155,910	148,324
Supplies	-	-	-	-	-	46	1,055
Other services and charges	1,488,269	-	1,892	-	16,206	603,696	883,369
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	881,046	-
Total disbursements	1,488,269	-	1,892	-	16,206	1,640,698	1,032,748
Excess (deficiency) of receipts over disbursements	(956,903)	-	(931)	49,035	208,333	(136,557)	(84,905)
Cash and investments - ending	\$ 2,668,449	\$ 292	\$ 3,999	\$ 225,136	\$ 1,487,662	\$ 297,506	\$ 493,095

CITY OF LOGANSPORT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	LOIT PUBLIC SAFETY FUND	EPA GRANT FUND	DONATION FUND	FORESTRY/EXACT GRANT	CHASE ROAD PROJECT	LAND & WATER CF GRANT	AIP ENVIRONMENTAL GRANT
Cash and investments - beginning	\$ 512,530	\$ -	\$ 10,414	\$ 2,830	\$ 1,578	\$ 101,700	\$ 392
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	512,029	187,166	-	-	7,699	98,300	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,432	-	15,741	-	5,774	-	-
Total receipts	514,461	187,166	15,741	-	13,473	98,300	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	73,134	-	10,589	-	-	-	-
Other services and charges	145,332	187,166	-	-	15,051	200,000	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	78,049	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	296,515	187,166	10,589	-	15,051	200,000	-
Excess (deficiency) of receipts over disbursements	217,946	-	5,152	-	(1,578)	(101,700)	-
Cash and investments - ending	\$ 730,476	\$ -	\$ 15,566	\$ 2,830	\$ -	\$ -	\$ 392

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	RECREATION TRAILS PROG GR	NR GRANT ADMINISTRATIVE	CDBG IN HOUSING GR 005	SAFE ROUTES-INDOT GRANT	TE EEL RIVER RUN TRAIL	18TH STREET CORRIDOR
Cash and investments - beginning	\$ 3,213	\$ 70,499	\$ 50	\$ 240,532	\$ (100,042)	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	31,724	112,000	117,192
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	3,226	15,704	260,000
Total receipts	-	-	-	34,950	127,704	377,192
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	4,968	-	25,482	27,616	165,494
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	4,968	-	25,482	27,616	165,494
Excess (deficiency) of receipts over disbursements	-	(4,968)	-	9,468	100,088	211,698
Cash and investments - ending	\$ 3,213	\$ 65,531	\$ 50	\$ 250,000	\$ 46	\$ 211,698

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	POLICE RESERVE FUND	NR HOST COMM AGREE	CEMETERY PERPETUAL FD	CEMETERY ENDOWMENT	CALVARY PERPETUAL FUND	SPRY CHARITABLE FUND
Cash and investments - beginning	\$ 190	\$ 943,440	\$ 72,699	\$ 9,078	\$ 51,162	\$ 10,252
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	221,124	4,978	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	200,425	-	-	-	-
Total receipts	-	421,549	4,978	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	112,198	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	112,198	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	309,351	4,978	-	-	-
Cash and investments - ending	\$ 190	\$ 1,252,791	\$ 77,677	\$ 9,078	\$ 51,162	\$ 10,252

CITY OF LOGANSPORT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	PRATT CHARITABLE FUND	BEN H LONG FUND	BLITZ GRANT FUND	BULLETPROOF VEST FUND	NR INFRASTRUC MAINT FD	FIRE REPORT
Cash and investments - beginning	\$ 5,051	\$ 473	\$ 1	\$ 7,627	\$ 886,956	\$ 671
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	3,791	-	100,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	1	-	-	66
Total receipts	-	-	3,792	-	100,000	66
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	4,572	-	260,000	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	4,572	-	260,000	-
Excess (deficiency) of receipts over disbursements	-	-	(780)	-	(160,000)	66
Cash and investments - ending	\$ 5,051	\$ 473	\$ (779)	\$ 7,627	\$ 726,956	\$ 737

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	EASTGATE PROPERTY FUND	NR HUSTON PARK DEV FUND	NR GOLF OPERATING FUND	LOGAN EQUIP NR CAPITAL FD	MUN. BLDG CORP/IVY TECH	NR LAW ENFORCE FUND
Cash and investments - beginning	\$ 528,127	\$ 112,823	\$ 154,200	\$ 1,247,505	\$ 100,174	\$ 61,834
Receipts:						
Taxes	-	-	9,192	-	258,785	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	25,894	-
Charges for services	28,000	-	386,454	1,293	-	19,358
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	6,000	59,875	3,251	-	-	-
Total receipts	34,000	59,875	398,897	1,293	284,679	19,358
Disbursements:						
Personal services	-	-	188,939	-	-	-
Supplies	-	-	110,915	-	-	-
Other services and charges	1,593	117,274	56,841	-	-	20,201
Debt service - principal and interest	-	-	-	-	311,500	-
Capital outlay	-	-	34,686	360,000	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	14,190	-	-	-
Total disbursements	1,593	117,274	405,571	360,000	311,500	20,201
Excess (deficiency) of receipts over disbursements	32,407	(57,399)	(6,674)	(358,707)	(26,821)	(843)
Cash and investments - ending	\$ 560,534	\$ 55,424	\$ 147,526	\$ 888,798	\$ 73,353	\$ 60,991

CITY OF LOGANSPORT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	FIRE STA & ST BARN CONST	NR LAND DEV MT HOPE CEM	LITTLE TURTLE GRT/PLAZA	NR OLD US HWY RELINQ	LMU PAYROLL W/H CLEARING	PAYROLL FUND
Cash and investments - beginning	\$ 276	\$ 30,599	\$ 484	\$ 440,320	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	14,462	-	-
Charges for services	-	24,306	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	18,078	2,125,456	3,262,199
Total receipts	-	24,306	-	32,540	2,125,456	3,262,199
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	18,123	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	2,125,456	3,262,199
Total disbursements	-	-	-	18,123	2,125,456	3,262,199
Excess (deficiency) of receipts over disbursements	-	24,306	-	14,417	-	-
Cash and investments - ending	\$ 276	\$ 54,905	\$ 484	\$ 454,737	\$ -	\$ -

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	TIF - LOGANS LANDING	TIF - EAST END	TIF - GATEWAY COMMERCE	SOLID WASTE DISTRICT FUND	LAND & WATER PHASE 2	TE EEL RIVER RUN BRIDGE
Cash and investments - beginning	\$ 609,038	\$ 93,369	\$ 5,663	\$ 27,456	\$ (56,904)	\$ -
Receipts:						
Taxes	159,281	174,796	10,513	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	56,905	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	35,463	-	-	10,922	-	148,802
Total receipts	194,744	174,796	10,513	10,922	56,905	148,802
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	163,674	53,488	1,472	-	26,109	128,583
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	163,674	53,488	1,472	-	26,109	128,583
Excess (deficiency) of receipts over disbursements	31,070	121,308	9,041	10,922	30,796	20,219
Cash and investments - ending	\$ 640,108	\$ 214,677	\$ 14,704	\$ 38,378	\$ (26,108)	\$ 20,219

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	GIVING PROGRAM GRANT	SAFE ROUTES-FAIRVIEW	INDOT GRANT-PAVEMENT MARK	OCDETF - DEA GRANT	UTILITY HEALTH INS TRUST	UTILITY HEALTH INSURANCE CHECKING
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 603,469	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	6,631	4,952	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	4,000	-	-	-	1,100,276	1,163,543
Total receipts	4,000	-	6,631	4,952	1,100,276	1,163,543
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	14,881	6,631	5,819	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	557	1,249,310	1,140,373
Total disbursements	-	14,881	6,631	6,376	1,249,310	1,140,373
Excess (deficiency) of receipts over disbursements	4,000	(14,881)	-	(1,424)	(149,034)	23,170
Cash and investments - ending	\$ 4,000	\$ (14,881)	\$ -	\$ (1,424)	\$ 454,435	\$ 23,170

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	EMPLOYEE BANK VACATION	ELECTRIC OPERATING HI-FI	ELECTRIC D&R	ELECTRIC CUSTOMER DEP.	ELECTRIC INS. RESERVE	STORMWATER CONSTRUCTION
Cash and investments - beginning	\$ 320,014	\$ 1,271,321	\$ 2,785,199	\$ 151,130	\$ 272,936	\$ 8,863,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	41,233,352	-	-	-	-
Other receipts	5,942	3,576,639	2,772	13,111	272	3
Total receipts	5,942	44,809,991	2,772	13,111	272	3
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	44,089,744	-	-	-	-
Other disbursements	19,118	-	-	-	-	6,434,575
Total disbursements	19,118	44,089,744	-	-	-	6,434,575
Excess (deficiency) of receipts over disbursements	(13,176)	720,247	2,772	13,111	272	(6,434,572)
Cash and investments - ending	\$ 306,838	\$ 1,991,568	\$ 2,787,971	\$ 164,241	\$ 273,208	\$ 2,428,428

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	STORMWATER D&R	STORMWATER BOND SINKING	STORMWATER OPER. RESERVE	STORMWATER BOND RESERVE	STORMWATER OPERATING HI-F	TRASH & GARBAGE PICKUP
Cash and investments - beginning	\$ 1,189,889	\$ -	\$ 1,083,721	\$ -	\$ 394,831	\$ 143,073
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	738,133
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	1,237,266	-
Other receipts	151,322	516,624	301,165	103,323	119,736	2,047
Total receipts	151,322	516,624	301,165	103,323	1,357,002	740,180
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	773,549
Debt service - principal and interest	-	73,120	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	1,086,726	-
Other disbursements	-	-	-	-	450,000	-
Total disbursements	-	73,120	-	-	1,536,726	773,549
Excess (deficiency) of receipts over disbursements	151,322	443,504	301,165	103,323	(179,724)	(33,369)
Cash and investments - ending	\$ 1,341,211	\$ 443,504	\$ 1,384,886	\$ 103,323	\$ 215,107	\$ 109,704

CITY OF LOGANSPORT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	SEWAGE OPERATING HI-FI	SEWAGE SINKING	SEWAGE D&R	SEWAGE INS. RESERVE	SEWAGE FISCAL AGENT	SEWAGE BOND RESERVE
Cash and investments - beginning	\$ 636,087	\$ 1	\$ 3,712,442	\$ 110,311	\$ 16,796	\$ 261,182
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	3,442,232	-	-	-	-	-
Other receipts	594,131	259,624	404,062	110	17	260
Total receipts	4,036,363	259,624	404,062	110	17	260
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	3,957,390	232,301	-	-	-	-
Other disbursements	427,301	27,301	-	-	-	-
Total disbursements	4,384,691	259,602	-	-	-	-
Excess (deficiency) of receipts over disbursements	(348,328)	22	404,062	110	17	260
Cash and investments - ending	\$ 287,759	\$ 23	\$ 4,116,504	\$ 110,421	\$ 16,813	\$ 261,442

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	WATER OPERATING HI-FI	WATER D&R	WATER BOND RESERVE	WATER BOND SINKING	WATER INSURANCE RESERVE	Totals
Cash and investments - beginning	\$ 155,721	\$ 1,524,707	\$ 246,121	\$ 1	\$ 114,731	\$ 44,424,614
Receipts:						
Taxes	-	-	-	-	-	5,620,078
Licenses and permits	-	-	-	-	-	231,049
Intergovernmental	-	-	-	-	-	6,299,622
Charges for services	-	-	-	-	-	1,533,681
Fines and forfeits	-	-	-	-	-	67,380
Utility fees	2,821,461	-	-	-	-	48,734,311
Other receipts	966,572	1,153	245	245,035	114	17,736,533
Total receipts	3,788,033	1,153	245	245,035	114	80,222,654
Disbursements:						
Personal services	-	-	-	-	-	6,990,013
Supplies	-	-	-	-	-	682,795
Other services and charges	-	-	-	-	-	8,172,707
Debt service - principal and interest	-	-	-	-	-	384,620
Capital outlay	-	-	-	-	-	1,099,065
Utility operating expenses	3,595,916	-	-	214,004	-	53,176,081
Other disbursements	31,004	490,000	-	31,004	-	16,764,060
Total disbursements	3,626,920	490,000	-	245,008	-	87,269,341
Excess (deficiency) of receipts over disbursements	161,113	(488,847)	245	27	114	(7,046,687)
Cash and investments - ending	\$ 316,834	\$ 1,035,860	\$ 246,366	\$ 28	\$ 114,845	\$ 37,377,927

CITY OF LOGANSPOUT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ 18,979	\$ 91,576
Trash	-	65,268
Wastewater	136,935	218,472
Water	84,084	205,067
Electric	2,150,137	2,933,362
Governmental activities	-	19,546
	<hr/>	<hr/>
Totals	<u>\$ 2,390,135</u>	<u>\$ 3,533,291</u>

CITY OF LOGANSPOUT
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment*	Lease Beginning Date	Lease Ending Date
Governmental activities: Logansport Municipal Building Corporation	Ivy Tech Building	\$ 320,000	03-01-08	09-01-28

* Average annual payment over the term of the lease.

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Revenue bonds	Taxable Econ Dev Revenue Bonds Series 2012 (Logansport Theater LLC)		\$ 200,000	\$ 102,828
Notes and loans payable	Golf carts		15,964	16,224
Notes and loans payable	Industrial Energy Efficiency Loan		15,030	6,680
Total governmental activities			230,994	125,732
Storm Water:				
Revenue bonds	Infrastructure Lines		8,863,000	507,138
Wastewater:				
Revenue bonds	Infrastructure-water mains		424,000	91,136
Revenue bonds	Infrastructure-water mains		1,282,000	165,244
Total Wastewater			1,706,000	256,380
Water:				
Revenue bonds	Infrastructure-water mains		1,879,000	241,988
Totals			\$ 12,678,994	\$ 1,131,238

CITY OF LOGANSPOUT
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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 Balance
Governmental activities:	
Land	\$ 6,213,627
Infrastructure	16,334,563
Buildings	13,292,554
Improvements other than buildings	5,484,623
Machinery, equipment, and vehicles	<u>7,056,696</u>
Total governmental activities	<u>48,382,063</u>
Electric:	
Land	468,635
Infrastructure	55,274,991
Buildings	2,511,480
Improvements other than buildings	20,287,188
Machinery, equipment, and vehicles	4,315,454
Construction in progress	<u>95,019</u>
Total Electric	<u>82,952,767</u>
Storm Water:	
Construction in progress	<u>6,783,906</u>
Trash:	
Total Trash	<u>-</u>
Wastewater:	
Land	536,519
Infrastructure	30,514,203
Buildings	2,406,271
Improvements other than buildings	296,203
Machinery, equipment, and vehicles	1,143,623
Construction in progress	<u>12,300</u>
Total Wastewater	<u>34,909,119</u>
Water:	
Land	376,916
Infrastructure	15,629,801
Buildings	281,527
Improvements other than buildings	5,470,586
Machinery, equipment, and vehicles	734,234
Construction in progress	<u>1,020,245</u>
Total Water	<u>23,513,309</u>
Total capital assets	<u>\$ 196,541,164</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF LOGANSPORT, CASS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Logansport's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

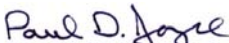
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 25, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented was approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF LOGANSPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Natural Resources</u>				
Outdoor Recreation-Acquisition, Development and Planning	Indiana Department of Natural Resources	15.916	E-10-8-S06	\$ 98,300
Harry H. Huston Sports Center and Nature Preserve		15.916	E-10-9-S07	56,905
Phase II Huston Park				
Total - Department of the Interior				155,205
<u>Department of Justice</u>				
Joint Law Enforcement Operations (JLEO)	Direct			
OCDETF-DEA Grant		16.111	G/L-INN-0154	4,952
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
18th Street Corridor		20.205	A249-12-320474	117,192
NR Old US Hwy Relinquishment		20.205	A249-8-320381	14,462
Transportation Enhancement		20.205	EDS A1349-09-320934	112,000
Safe Routes		20.205	EDS A249-08-320165	31,724
Chase Road Project		20.205	EDS A249-09-320930	7,699
Highway Planning and Construction	Cass County			
Chase Road Project		20.205	EDS A249-09-320930	4,812
Total - Highway Planning and Construction Cluster				287,889
Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute			
Operation Pullover Blitz		20.600	1613	3,791
Total - Department of Transportation				291,680
<u>Environmental Protection Agency</u>				
ARRA - Capitalization Grants for Clean Water State				
Revolving Funds, Recovery Act	Indiana Finance Authority			
Stormwater Construction		66.458	WW12091703	3,217,288
ARRA - Brownfields Assessment and Cleanup				
Cooperative Agreements, Recovery Act	Direct			
EPA GRANT		66.818	BF00E01062-0	187,166
Total - Environmental Protection Agency				3,404,454
Total federal awards expended				\$ 3,856,291

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF LOGANSPOUT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF LOGANSPOUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the City related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statement and then determining how those identified risks should be managed.

CITY OF LOGANSPOUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The City has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements, including notes to the financial statement. In addition, management of the City has not established a process for final review of the financial statement after compilation.

2. Reconciliation: The City has not identified risks to the reconciliation of City funds to bank and investment balances and, as a result, has failed to design effective controls over the reconciliation process to prevent, or detect and correct, material misstatements. Specifically, while adequate segregation of duties exists to provide a separate reconciliation for each bank account, there is no final reconciliation of combined cash and investment balances to the total funds balance.
3. Monitoring of Controls: Effective internal control over financial reporting requires the Common Council to monitor and assess the quality of the City's system of internal control. The Common Council has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the City at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the Common Council has no process to identify or communicate corrective actions to improve controls.

During the audit of the City's financial statement, we noted several funds which were not reported or reported for the incorrect amount. The failure to properly report these funds resulted in the Beginning Cash and Investment Balances, Receipts, Disbursements and Ending Cash and Investment Balances on City's financial statement presented for audit to be understated by \$9,786,483, \$2,456,930, \$8,949,332, and \$2,919,749, respectively. Audit adjustments were proposed, accepted by the City, and made to the City's financial statement presented in this report. These adjustments resulted in a presentation of the City's financial statement that is materially correct.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by in the manner prescribed under IC 5-14-3.8-7."

CITY OF LOGANSPOUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

***FINDING 2013-002 - CONTROLS AND COMPLIANCE OVER THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted federal awards for two grants were not reported. The failure to report these grants resulted in the expenditures on the SEFA presented for audit to be understated by \$3,253,851. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states in part:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

CITY OF LOGANSPOUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-003 - MANAGEMENT CONTROLS

We noted deficiencies in the overall management procedures within the City. We believe the following deficiencies constitute material weaknesses:

1. Public Purchases: The City failed to solicit bids for the purchase of a new fire truck for \$475,000 and, therefore, was not in compliance with Indiana Code 5-22-7-2. The failure to exercise their oversight responsibility places the City at risk that controls may not be designed or operating effectively to provide reasonable assurance that material misstatements will be prevented, or detected and corrected, in a timely manner.

Indiana Code 5-22-7-2(a) states: "A purchasing agent shall issue an invitation for bids."

2. Agreements and Contracts: Certain statutory procedures were not followed by the City and the Utility Service Board: instead, the ratification procedures in IC 36-1-4-16 were used. Post-action ratification clarified to the public the Administrative record between the City of Logansport Common Council and the actions of the Logansport Utility Service Board pertaining to a contract.

There was no formal process for documenting the monitoring of an economic development agreement. Proper internal controls for monitoring require discussions be evidenced and supporting documentation be retained.

The City should establish and follow controls over record maintenance and contracting. The failure to do so could cause material misstatements or irregularities to go undetected and could place the City at risk such that financial information may not be reliable.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



CAROL SUE HAYWORTH
CITY OF LOGANSPORT – CLERK/TREASURER

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2012-01

Original SBOA Audit Report Number: B42727
Finding Notation: Internal Controls over Financial Transactions and Reporting
Auditee Contact Person: Carol Sue Hayworth
Title of Contact Person: City Clerk-Treasurer
Phone: (765) – 574 - 4745
Fiscal Year: 2013

Status of Finding:

The clerk treasurer's office has attempted to institute duties that would involve, at least on a sample basis, reviews of the work being performed by each of the office employees. However, the city is a very small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of their treasurer's office.

Finding Number 2012-02

Original SBOA Audit Report Number: B42727
Finding Notation: Internal Controls over Reporting on the Schedule of Expenditures of Federal Awards
Auditee Contact Person: Carol Sue Hayworth
Title of Contact Person: City Clerk-Treasurer
Phone: (765) – 574 - 4745
Fiscal Year: 2013

Status of Finding:

The clerk treasurer's office has designated a deputy clerk treasurer to oversee all federal grant awards. The clerk treasurer's office will review and implement a system of internal controls to provide reasonable assurance that financial information will be reported accurately to reduce the substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

Finding Number 2012-03

Original SBOA Audit Report Number: B42727

Finding Notation: Internal Controls Over Compliance Requirements that have a Direct and Material Effect to Highway Planning and Construction

Auditee Contact Person: Carol Sue Hayworth

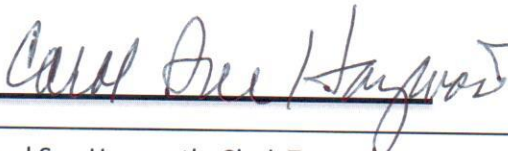
Title of Contact Person: City Clerk-Treasurer

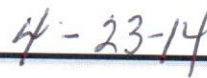
Phone: (765) – 574 - 4745

Fiscal Year: 2013

Status of Finding:

The clerk treasurer's office has designated a deputy clerk treasurer to oversee all federal grant awards. This employee will be trained in the area of federal grant requirements. The clerk treasurer's office will review and implement a system of internal controls to provide reasonable assurance that all applicable compliance requirements are followed. This system of internal controls will include, but will not be limited to, segregation of duties and checks and balances as they pertain to the compliance requirements.





Carol Sue Hayworth, Clerk Treasurer

Date



CAROL SUE HAYWORTH
CITY OF LOGANSPORT - CLERK/TREASURER

CORRECTIVE ACTION PLAN

FINDING 2013-01 INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Carol Sue Hayworth
574 739-1416

Description of Corrective Action Plan:

1. The Annual Report is prepared using the City's financial software Gateway Module. This program pulls all required data that is imported into the state's Gateway reporting system. Once this data is imported into Gateway one person other than the person that prepared the data along with a third person will audit the reports based on the City's year end trial balances, cash statements, investment statements and bank reconciliations. After an internal audit of the data, the Clerk/Treasurer will approve and submit the Financial Statements.
2. The City has resolved this finding. Currently, all bank statements are reconciled by someone other than the person(s) responsible for the account activity (receipts and disbursements). Upon recommendation of the Auditors, the City now has assigned the duty of a combined reconciliation to an employee who does not reconcile any individual bank statement. This procedure has been followed for the last two months and copies of this combined reconciliation will be provided upon request.
3. It is the intent of the Clerk/Treasurer to meet with the Board Members by July 31st, 2014 to discuss a need for their oversight of internal control and to set up an action plan. It is our intent to have a Board member come in on a monthly basis to review bank reconciliations and financial statements for any inconsistencies.

Anticipated Completion Date: July 31, 2014

Carol Sue Hayworth
(Signature)

Logansport Clerk - Treasurer
(Title)

6-25-2014
(Date)



CORRECTIVE ACTION PLAN
CAROL SUE HAYWORTH
CITY OF LOGANSPORT - CLERK/TREASURER

FINDING 2013-02 MATERIAL ERRORS TO THE SEFA

Carol Sue Hayworth
574 739-1416

Description of Corrective Action Plan:

1. Currently, the person preparing the Federal Grant Report for annual reporting co-ordinates with the City's grant overseer to input data regarding federal receipts and disbursements. To improve the city's record keeping relating to federal awards, the grant overseer will provide to the person preparing the Annual Report a detailed spread sheet for every federal grant received by the city. Once the data is entered into the Annual Report, another employee in the office will audit the data based on the City's year-end financial reports which will include Trial Balances, Cash Reports and Bank Reconciliations. The grant overseer will keep detailed records of the activity for each award along with copies of award claims and expense disbursement checks.

Anticipated Completion Date: This process will begin as soon as the Clerk/Treasurer meets with the grant overseer and any other office employees who will participate in this process. Process completed.

Carol Sue Hayworth
(Signature)

Logansport Clerk Treasurer
(Title)

6-25-2014
(Date)



CAROL SUE HAYWORTH
CITY OF LOGANSPORT - CLERK/TREASURER

CORRECTIVE ACTION PLAN

FINDING 2013-03 Management Controls

Carol Sue Hayworth
754-739-1416

Description of Corrective Action Plan:

1. The Clerk/Treasurer immediately upon being informed of this non-compliance issue is requiring a minimum of three bids to be in compliance with IC 5-22-7-2.
2. The City will establish and implement controls over record maintenance and contracting.

Anticipated Completion Date: Notification of all parties has been completed.

Carol Sue Hayworth
(Signature)

Logansport Clerk Treas.
(Title)

11-17-14
(Date)

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.