

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

EXAMINATION REPORT
OF
TOWN OF CICERO
HAMILTON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/29/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Unger	01-01-04 to 12-31-11
President of the Town Council	Carl A. Harvey	01-01-06 to 12-31-06
	Brett S. Foster	01-01-07 to 12-31-07
	Jerry G. Cook	01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CICERO, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Cicero (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 24, 2008

TOWN OF CICERO
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,782,577	\$ 2,054,662	\$ 1,883,089	\$ 1,954,150
Motor Vehicle Highway	246,222	165,494	79,556	332,160
Local Road and Street	85,528	59,274	6,847	137,955
Donation	494	806	1,045	255
Grant, Misc	-	5,000	1,285	3,715
Law Enforcement Continuing Education	1,340	2,852	1,201	2,991
Park and Recreation	124,417	293,473	279,731	138,159
Park Nonreverting	23,163	305	6,588	16,880
Baseball Nonreverting	1,550	-	-	1,550
Police Nonreverting	4,154	-	3,822	332
Trash	42,045	208,932	199,220	51,757
Fire Equipment Debt	-	88,736	37,411	51,325
Fire Building Bond	16,223	118,611	123,845	10,989
Cumulative Capital Improvement	158,114	15,372	51,793	121,693
Cumulative Capital Development	386,005	54,251	920	439,336
Storm Water	74,400	82,895	6,924	150,371
Levy Excess	14,787	18,401	14,787	18,401
Proprietary Funds:				
Water Utility - Operating	136,011	654,617	690,771	99,857
Water Utility - Improvement	447,973	224,618	92,891	579,700
Water Utility - Bond and Interest	148,344	146,400	146,700	148,044
Water Utility - Customer Deposit	11,222	3,640	3,620	11,242
Wastewater Utility - Operating	478,950	889,124	947,586	420,488
Wastewater Utility - Improvement	993,522	333,117	277,403	1,049,236
Wastewater Utility - Bond and Interest	308,424	290,400	291,787	307,037
Wastewater Utility - Customer Deposit	11,083	3,569	3,640	11,012
Fiduciary Fund:				
Payroll	12,899	622,099	620,262	14,736
Totals	<u>\$ 5,509,447</u>	<u>\$ 6,336,648</u>	<u>\$ 5,772,724</u>	<u>\$ 6,073,371</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,954,150	\$ 2,171,395	\$ 2,410,769	\$ 1,714,776
Motor Vehicle Highway	332,160	189,410	81,669	439,901
Local Road and Street	137,955	58,656	110,745	85,866
Donation	255	-	255	-
Grant, Misc	3,715	47,555	51,269	1
Condo TIF	-	32,720	-	32,720
Law Enforcement Continuing Education	2,991	4,647	3,646	3,992
Park and Recreation	138,159	285,167	284,424	138,902
Park Nonreverting	16,880	100	25	16,955
Baseball Nonreverting	1,550	-	-	1,550
Police Nonreverting	332	3,254	3,511	75
Trash	51,757	250,957	242,480	60,234
Fire Equipment Debt	51,325	57,651	70,701	38,275
Fire Building Bond	10,989	113,958	122,000	2,947
Cumulative Capital Improvement	121,693	15,114	82,607	54,200
Cumulative Capital Development	439,336	53,017	54,255	438,098
Storm Water	150,371	85,766	47,278	188,859
Levy Excess	18,401	-	18,401	-
Proprietary Funds:				
Water Utility - Operating	99,857	717,532	684,773	132,616
Water Utility - Improvement	579,700	476,305	416,727	639,278
Water Utility - Bond and Interest	148,044	144,000	142,542	149,502
Water Utility - Customer Deposit	11,242	3,520	3,582	11,180
Wastewater Utility - Operating	420,488	924,679	965,917	379,250
Wastewater Utility - Improvement	1,049,236	638,018	147,078	1,540,176
Wastewater Utility - Bond and Interest	307,037	300,000	599,482	7,555
Wastewater Utility - Customer Deposit	11,012	3,539	4,033	10,518
Fiduciary Fund:				
Payroll	14,736	683,268	681,959	16,045
Totals	<u>\$ 6,073,371</u>	<u>\$ 7,260,228</u>	<u>\$ 7,230,128</u>	<u>\$ 6,103,471</u>

The accompanying notes are an integral part of the financial information.

TOWN OF CICERO
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the Town 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.

TOWN OF CICERO
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

Funding Policy and Annual Pension Cost

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

Note 7. Subsequent Events

- A. On July 17, 2008, the Town entered into an agreement for the construction of a Park Maintenance Building in the amount of \$144,873.
- B. On September 2, 2008, the Town approved construction of five baseball diamonds at the Baseball Park in the amount of \$70,000 to be funded by the appropriated funds of the Cumulative Capital Development Fund.

TOWN OF CICERO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,362,957
Infrastructure	1,900,633
Buildings	1,406,027
Improvements other than buildings	718,400
Machinery and equipment	<u>2,145,672</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 7,533,689</u></u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 64,646
Infrastructure	4,670,733
Construction in progress	7,944
Buildings	25,600
Improvements other than buildings	61,000
Machinery and equipment	<u>316,511</u>
Total Water Utility capital assets	<u>5,146,434</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Infrastructure	4,883,393
Buildings	660,191
Improvements other than buildings	120,434
Machinery and equipment	<u>1,207,603</u>
Total Wastewater Utility capital assets	<u>6,871,621</u>
Storm Water Utility	
Capital assets, not being depreciated:	
Infrastructure	776,532
Improvements other than buildings	<u>124,718</u>
Total Storm Water Utility capital assets	<u>901,250</u>
Total business-type activities capital assets	<u><u>\$ 12,919,304</u></u>

TOWN OF CICERO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Trucks	\$ 486,110	\$ 70,701
Street Sweeper	20,852	21,175
Police Car	11,464	6,296
Police Car	13,316	7,305
Bonds payable:		
General obligation bonds:		
Fire Station	<u>330,000</u>	<u>121,500</u>
Total governmental activities debt	<u>\$ 861,742</u>	<u>\$ 226,977</u>
Business-type Activities:		
Water Utility		
Loan payable:		
SRF-Water Tower	540,000	26,060
Bonds payable:		
General obligation bonds:		
Water Plant	\$ 35,000	\$ 17,636
2 Wells	<u>710,000</u>	<u>98,857</u>
Total Water Utility	<u>1,285,000</u>	<u>142,553</u>
Wastewater Utility		
Loan payable:		
SRF-Sewer Lines	1,052,437	88,555
Bonds payable:		
General obligation bonds:		
Sewer Obligation Bond	<u>1,430,000</u>	<u>211,566</u>
Total Wastewater Utility	<u>2,482,437</u>	<u>300,121</u>
Total business-type activities debt:	<u>\$ 3,767,437</u>	<u>\$ 442,674</u>

TOWN OF CICERO
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2008, with Janice L. Unger, Clerk-Treasurer; and Jerry G. Cook, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.