

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF LIGONIER

NOBLE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED

04/26/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Barb Hawn	06-08-10 to 12-31-15
Mayor	Patricia Fisel	01-01-08 to 12-31-15
President of the Board of Public Works	Patrica Fisel	01-01-11 to 12-31-12
President of the Common Council	Kenneth Schuman	01-01-11 to 12-31-12
Superintendent of Water Utility	Jeffrey Boyle	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	Mark Schultz	01-01-11 to 12-31-12



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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LIGONIER, NOBLE COUNTY, INDIANA

We have examined the financial statement of the City of Ligonier (City), for the period of January 1, 2011 to December 31, 2011. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

March 22, 2012

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FINANCIAL STATEMENT

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

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 133,503	\$ 1,852,992	\$ 1,711,000	\$ 275,495
Motor Vehicle Highway	115,929	321,155	299,107	137,977
Local Road and Streets	30,000	18,029	4,376	43,653
Park Nonreverting Operating	8,449	33,246	35,054	6,641
Law Enforcement Continuing Education	8,021	5,682	6,807	6,896
Park and Recreation	44,537	115,754	112,607	47,684
Rainy Day	257,644	-	20,279	237,365
County Economic Development Income Tax	163,079	146,739	143,172	166,646
Ligonier Forfeiture	637	-	-	637
Cumulative Capital Development	241,483	46,546	44,981	243,048
Park Nonreverting Capital	6,603	-	-	6,603
Cumulative Fire	104,915	26,026	24,149	106,792
General Improvement	141,761	10,272	1,006	151,027
Cumulative Capital Improvement	60,760	12,512	-	73,272
Riverboat	75,306	27,267	3,668	98,905
Sports and Recreation Center	37,910	147,572	135,847	49,635
Downtown Redevelopment	610	-	584	26
State Grants	3,190	-	3,190	-
Police Grants	173	18,977	16,732	2,418
General Obligation Bonds	556,137	-	23,750	532,387
Debt Service	59,997	279,537	253,028	86,506
Redevelopment Authority Lease Payment	120,964	270,171	270,304	120,831
Redevelopment Authority Debt Service Reserve	271,489	2,204	-	273,693
City Gift	26,668	19,518	28,311	17,875
Park Gift	38,453	49,487	34,721	53,219
Fire Grant	405	250	-	655
CFF Streetscape	1,410	-	1,410	-
Land Purchase	24,937	-	-	24,937
Thompson Beautification	18,916	14,500	4,256	29,160
Payroll	22,498	1,434,339	1,432,210	24,627
TIF Number 2 Warren	1,905,796	752,908	832,265	1,826,439
Wastewater Utility Operating	2,311,501	947,035	1,595,777	1,662,759
Wastewater Utility Bond and Interest	927,000	1,717,236	803,109	1,841,127
Wastewater Utility Depreciation	618,730	966	375,000	244,696
Wastewater Utility Construction	100	57,742	57,642	200
Wastewater Utility Debt Service Reserve	3,404	375,596	-	379,000
Water Utility Bond and Interest	18,101	311,801	307,013	22,889
Water Utility Customer Deposit	1,926	59	50	1,935
Water Utility Operating	145,363	835,372	835,766	144,969
Water Utility Debt Service Reserve	327,770	820	-	328,590
Totals	<u>\$ 8,836,075</u>	<u>\$ 9,852,310</u>	<u>\$ 9,417,171</u>	<u>\$ 9,271,214</u>

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

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT
(Continued)

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, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees.

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 may include, but are not limited to, the following uses:

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

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

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

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

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

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

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

CITY OF LIGONIER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Indiana Public Retirement System Board.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Motor Vehicle Highway	Local Road and Streets	Park Nonreverting Operating	Law Enforcement Continuing Education	Park and Recreation	Rainy Day	County Economic Development Income Tax	Ligonier Forfeiture
Cash and investments - beginning	\$ 133,503	\$ 115,929	\$ 30,000	\$ 8,449	\$ 8,021	\$ 44,537	\$ 257,644	\$ 163,079	\$ 637
Receipts:									
Taxes	940,724	193,621	-	-	-	99,724	-	-	-
Licenses and permits	20,975	-	-	-	-	-	-	-	-
Intergovernmental	459,319	123,958	17,829	-	-	5,458	-	146,739	-
Charges for services	241,149	-	-	33,122	5,682	9,925	-	-	-
Fines and forfeits	4,455	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	186,370	3,576	200	124	-	647	-	-	-
Total receipts	1,852,992	321,155	18,029	33,246	5,682	115,754	-	146,739	-
Disbursements:									
Personal services	1,088,023	174,960	-	11,810	-	65,356	-	-	-
Supplies	84,147	30,796	-	22,610	-	19,214	-	-	-
Other services and charges	536,830	41,648	-	634	-	26,623	20,279	22,933	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	2,000	51,703	4,376	-	6,807	1,414	-	120,239	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	1,711,000	299,107	4,376	35,054	6,807	112,607	20,279	143,172	-
Excess (deficiency) of receipts over disbursements	141,992	22,048	13,653	(1,808)	(1,125)	3,147	(20,279)	3,567	-
Cash and investments - ending	\$ 275,495	\$ 137,977	\$ 43,653	\$ 6,641	\$ 6,896	\$ 47,684	\$ 237,365	\$ 166,646	\$ 637

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

	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Fire	General Improvement	Cumulative Capital Improvement	Riverboat	Sports and Recreation Center	Downtown Redevelopment
Cash and investments - beginning	\$ 241,483	\$ 6,603	\$ 104,915	\$ 141,761	\$ 60,760	\$ 75,306	\$ 37,910	\$ 610
Receipts:								
Taxes	44,085	-	23,989	-	-	-	85,783	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,461	-	1,339	-	12,512	27,267	4,896	-
Charges for services	-	-	-	-	-	-	55,995	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	698	10,272	-	-	898	-
Total receipts	46,546	-	26,026	10,272	12,512	27,267	147,572	-
Disbursements:								
Personal services	-	-	-	-	-	-	85,993	-
Supplies	-	-	-	-	-	-	10,833	-
Other services and charges	-	-	-	-	-	-	39,021	584
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	44,981	-	24,149	1,006	-	3,668	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	44,981	-	24,149	1,006	-	3,668	135,847	584
Excess (deficiency) of receipts over disbursements	1,565	-	1,877	9,266	12,512	23,599	11,725	(584)
Cash and investments - ending	\$ 243,048	\$ 6,603	\$ 106,792	\$ 151,027	\$ 73,272	\$ 98,905	\$ 49,635	\$ 26

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

	State Grants	Police Grants	General Obligation Bonds	Debt Service	Redevelopment Authority Lease Payment	Redevelopment Authority Debt Service Reserve	City Gift	Park Gift
Cash and investments - beginning	\$ 3,190	\$ 173	\$ 556,137	\$ 59,997	\$ 120,964	\$ 271,489	\$ 26,668	\$ 38,453
Receipts:								
Taxes	-	-	-	264,759	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	18,977	-	14,778	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	270,171	2,204	19,518	49,487
Total receipts	-	18,977	-	279,537	270,171	2,204	19,518	49,487
Disbursements:								
Personal services	-	13,012	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	500
Other services and charges	3,190	667	23,750	1,150	-	-	23,101	28,645
Debt service - principal and interest	-	-	-	251,878	270,304	-	-	-
Capital outlay	-	3,053	-	-	-	-	5,210	5,576
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	3,190	16,732	23,750	253,028	270,304	-	28,311	34,721
Excess (deficiency) of receipts over disbursements	(3,190)	2,245	(23,750)	26,509	(133)	2,204	(8,793)	14,766
Cash and investments - ending	\$ -	\$ 2,418	\$ 532,387	\$ 86,506	\$ 120,831	\$ 273,693	\$ 17,875	\$ 53,219

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

	Fire Grant	CFF Streetscape	Land Purchase	Thompson Beautification	Payroll	TIF Number 2 - Warren	Wastewater Utility Operating	Wastewater Utility Bond and Interest
Cash and investments - beginning	\$ 405	\$ 1,410	\$ 24,937	\$ 18,916	\$ 22,498	\$ 1,905,796	\$ 2,311,501	\$ 927,000
Receipts:								
Taxes	-	-	-	-	-	717,504	-	912,677
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	923,819	-
Other receipts	250	-	-	14,500	1,434,339	35,404	23,216	804,559
Total receipts	250	-	-	14,500	1,434,339	752,908	947,035	1,717,236
Disbursements:								
Personal services	-	-	-	-	216	-	-	-
Supplies	-	-	-	2,377	-	-	-	-
Other services and charges	-	-	-	91	-	27,564	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	802,309
Capital outlay	-	1,410	-	1,788	-	534,530	27,570	-
Utility operating expenses	-	-	-	-	-	-	597,879	-
Other disbursements	-	-	-	-	1,431,994	270,171	970,328	800
Total disbursements	-	1,410	-	4,256	1,432,210	832,265	1,595,777	803,109
Excess (deficiency) of receipts over disbursements	250	(1,410)	-	10,244	2,129	(79,357)	(648,742)	914,127
Cash and investments - ending	\$ 655	\$ -	\$ 24,937	\$ 29,160	\$ 24,627	\$ 1,826,439	\$ 1,662,759	\$ 1,841,127

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

	Wastewater Utility Depreciation	Wastewater Utility Construction	Wastewater Utility Debt Service Reserve	Water Utility Bond and Interest	Water Utility Customer Deposit	Water Utility Operating	Water Utility Debt Service Reserve	Totals
Cash and investments - beginning	\$ 618,730	\$ 100	\$ 3,404	\$ 18,101	\$ 1,926	\$ 145,363	\$ 327,770	\$ 8,836,075
Receipts:								
Taxes	-	-	-	-	-	-	-	3,282,866
Licenses and permits	-	-	-	-	-	-	-	20,975
Intergovernmental	-	-	-	-	-	-	-	835,533
Charges for services	-	-	-	-	-	-	-	345,873
Fines and forfeits	-	-	-	-	-	-	-	4,455
Utility fees	-	-	-	-	59	820,407	-	1,744,285
Other receipts	966	57,742	375,596	311,801	-	14,965	820	3,618,323
Total receipts	966	57,742	375,596	311,801	59	835,372	820	9,852,310
Disbursements:								
Personal services	-	-	-	-	-	-	-	1,439,370
Supplies	-	-	-	-	-	-	-	170,477
Other services and charges	-	-	-	-	-	-	-	796,710
Debt service - principal and interest	-	-	-	306,113	-	8,963	-	1,639,567
Capital outlay	-	57,642	-	-	-	39,418	-	936,540
Utility operating expenses	-	-	-	-	-	376,532	-	974,411
Other disbursements	375,000	-	-	900	50	410,853	-	3,460,096
Total disbursements	375,000	57,642	-	307,013	50	835,766	-	9,417,171
Excess (deficiency) of receipts over disbursements	(374,034)	100	375,596	4,788	9	(394)	820	435,139
Cash and investments - ending	\$ 244,696	\$ 200	\$ 379,000	\$ 22,889	\$ 1,935	\$ 144,969	\$ 328,590	\$ 9,271,214

CITY OF LIGONIER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
Patcher truck	\$ 6,417	\$ 6,753	CEDIT
Injection patcher trailer	23,803	8,872	CEDIT
Notes and loans payable			
Water filter restoration	14,684	7,342	Water utility operating
Bonds payable:			
General obligation bonds:			
Redevelopment lease rental bonds	2,055,000	264,341	Redevelopment authority lease payment
Street improvements	215,000	111,906	Debt service
Street improvement and paving	535,000	119,400	Debt service
Revenue bonds:			
1998 Water revenue bonds	1,575,000	197,133	Water utility bond and interest
2003 Water revenue bonds	1,020,000	110,755	Water utility bond and interest
2002 Wastewater bonds (loan)	1,677,000	101,062	Wastewater utility bond and interest
2005 Wastewater revenue bonds	2,000,000	516,875	Wastewater utility bond and interest
2006 Wastewater revenue bonds	<u>4,000,000</u>	<u>184,308</u>	Wastewater utility bond and interest
Total debt	<u>\$ 13,121,904</u>	<u>\$ 1,628,747</u>	

CITY OF LIGONIER
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The City does not maintain sufficient detailed records of capital assets for the City, Water Utility, and Wastewater Utility. Upon purchase, the costs of the capital assets are not added to a listing of capital assets. Records classifying and summarizing the capital assets are incomplete. Deletions or disposals of capital assets are not recorded. This comment was included in prior Examination Reports B35364, B37825, and B39474.

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

CITY OF LIGONIER
EXIT CONFERENCE

The contents of this report were discussed on March 22, 2012, with Barb Hawn, Clerk-Treasurer, and Patricia Fisel, Mayor. The officials concurred with our finding.