CASPIAN—Caspian's auditor Scott Kenney commended the city on its financial situation, delivering his report at the City Commission's Sept. 19 meeting.

The city's 2011-12 audit was, Kenney said, subject to the provision of the single audit act this year, because it had spent more than half a million dollars in federal money due to the city's water and sewer projects. __PUBLIC__

The city saw an increase of $150,000 in fund equity at the end of its fiscal year, bringing the total close to $600,000.

Breaking down the finances into several areas, Kenney said the city's TIF district took a predictably downward slide because of funded projects, as well as the costs incurred in recent litigation with the county.

"I'm not overly concerned," he said, "because the cash flow should start to improve."

Street funds increased in its equity—last year's mild winter was a contributor to that positive balance. The water fund went down, which, Kenney said, actually helps the city to qualify for grant money.

The sewer fund was high because of reimbursement from the project.

The Community Center was "pretty flat," because expenses and revenue remained about the same.

The Public Safety Department has about $30,000 in its fund balance, and Kenney said he knew the city was saving for a new patrol vehicle and equipment.

"You did a commendable job of cost control," Kenney told the commissioners and City Manager John Stokoski.

Additionally, he noted that 100 percent of property taxes were collected, and it has been the second year in a row that has occurred.

The city still needs to correct an issue of commissioners being paid through payroll, but otherwise, "I'm very satisfied with the progress the city has made."

The city took on considerable water and sewer projects, he explained, and advised the commission to begin keeping a closer eye on water rates, as there is a likelihood they will need to be increased in a year or so.

Commissioner Gary Sabol asked Kenney, with the city's financial situation, is it prudent to think about some purchases, such as a new plow truck?

Kenney said that would work out, if the city financed it—take some out of the general fund, but finance the rest.

"You'll pay $167,000 for a truck that will serve you for 20 years," he said.

He also felt the same would be true for building a new salt shed and public works garage.

"Take some from the general fund, and finance the rest."

in other business:

--The city's sewer project is "winding down," said GEI Consultant Project Engineer Mark Stoor.

The commission approved pay requests for $35,912.20, and $415,746.42.

--The city's assessor received a $100 per month salary increase.