

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF ROSEDALE

PARKE COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
7/21/06

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Examination Result and Comment: Loan Between Utility Funds	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Adrienne Robinson	01-01-04 to 12-31-07
President of the Town Council	Randel Kneeland	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ROSEDALE, PARKE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Rosedale (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 14, 2006

TOWN OF ROSEDALE
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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 32,653	\$ 99,173	\$ 74,208	\$ 57,618
Motor Vehicle Highway	13,247	41,820	33,248	21,819
Local Road and Street	11,529	3,375	595	14,309
Park and Recreation	5,430	2,283	2,844	4,869
Law Enforcement Continuing Education	322	1,386	497	1,211
Cemetery	13,479	13,368	15,404	11,443
Covered Bridge	222	-	222	-
Grants	3,674	26,101	21,620	8,155
Cumulative Capital Improvement	6,746	2,997	-	9,743
Cumulative Capital Development	3,760	2,814	5,000	1,574
Cumulative Building and Fire Fighting Equipment	12,587	1,986	335	14,238
Levy Excess	528	-	528	-
Proprietary Funds:				
Water Utility - Operating	5,364	111,047	119,573	(3,162)
Water Utility - Bond and Interest	85,937	51,680	40,251	97,366
Water Utility - Depreciation	7,627	686	3,285	5,028
Water Utility - Customer Deposit	11,504	1,680	761	12,423
Water Utility - Debt Reserve	24,450	3,128	-	27,578
Wastewater Utility - Operating	48,859	133,819	125,575	57,103
Wastewater Utility - Bond and Interest	28,191	65,271	77,825	15,637
Wastewater Utility - Debt Reserve	1,918	3,017	-	4,935
Wastewater Utility - Improvement	-	22	-	22
Fiduciary Fund:				
Payroll	1,809	75,453	74,742	2,520
Totals	<u>\$ 319,836</u>	<u>\$ 641,106</u>	<u>\$ 596,513</u>	<u>\$ 364,429</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 57,618	\$ 99,829	\$ 120,251	\$ 37,196
Motor Vehicle Highway	21,819	43,800	41,526	24,093
Local Road and Street	14,309	2,902	8,785	8,426
Park and Recreation	4,869	2,204	1,750	5,323
Law Enforcement Continuing Education	1,211	787	-	1,998
Cemetery	11,443	16,996	16,680	11,759
Grants	8,155	-	-	8,155
Cumulative Capital Improvement	9,743	2,367	-	12,110
Cumulative Capital Development	1,574	4,424	258	5,740
Cumulative Building and Fire Fighting Equipment	14,238	3,007	1,084	16,161
Debt Service	-	10,776	3,897	6,879
Levy Excess	-	5,393	-	5,393
Proprietary Funds:				
Water Utility - Operating	(3,162)	150,929	116,379	31,388
Water Utility - Bond and Interest	97,366	39,889	68,291	68,964
Water Utility - Depreciation	5,028	1,218	2,000	4,246
Water Utility - Customer Deposit	12,423	3,600	8,225	7,798
Water Utility - Debt Reserve	27,578	3,115	6,224	24,469
Wastewater Utility - Operating	57,103	124,762	131,548	50,317
Wastewater Utility - Bond and Interest	15,637	89,799	101,808	3,628
Wastewater Utility - Debt Reserve	4,935	3,030	-	7,965
Wastewater Utility - Improvement	22	2,406	-	2,428
Fiduciary Fund:				
Payroll	2,520	85,008	87,245	283
Totals	<u>\$ 364,429</u>	<u>\$ 696,241</u>	<u>\$ 715,951</u>	<u>\$ 344,719</u>

The accompanying notes are an integral part of the schedules.

TOWN OF ROSEDALE
NOTES TO SCHEDULES

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). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. However, due to property tax reassessment taxes in 2004 were due June 18 and November 10.

TOWN OF ROSEDALE
NOTES TO SCHEDULES
(Continued)

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.

Note 6. Long-Term Debt

The Town has entered into various debts such as bonds for water and wastewater improvements and loans for wastewater improvements and storm clean-up. The outstanding principal at December 31, 2005, was \$738,000 for the bonds and \$114,775 for the loans.

Note 7. Restatements and Reclassifications

For the year ended December 31, 2004, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Town. The following schedule represents a summary of restated balances by fund type. The prior period adjustment represents unreported receipts to the cumulative capital improvement fund.

<u>Fund Type</u>	<u>Balance as Reported December 31, 2003</u>	<u>Prior Period Adjustment</u>	<u>Balance as Reported January 1, 2004</u>
Cumulative capital improvement	\$ 4,034	\$ 2,711	\$ 6,745

TOWN OF ROSEDALE
EXAMINATION RESULT AND COMMENT

LOAN BETWEEN UTILITY FUNDS

A temporary loan of \$4,800 was made to the Water Operating Fund from the Customer Deposit Fund in 2005. This loan was not paid back to the Customer Deposit Fund at December 31.

Indiana Code 36-1-8-4 concerning temporary loans states, in part: "(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs; (4) The amount transferred must be returned to the other fund at the end of the prescribed period . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and department of local government finance."

TOWN OF ROSEDALE
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2006, with Adrienne Robinson, Clerk-Treasurer.