

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

EXAMINATION REPORT

OF

TOWN OF ELLETTSVILLE

MONROE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

04/05/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sandra C. Hash	01-01-04 to 12-31-07
President of the Town Council	Patrick Stoffers	01-01-05 to 12-08-06
	William Evans	12-09-06 to 12-31-06
	Dennis E. Williamson	01-01-07 to 12-31-07



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ELLETTSVILLE, MONROE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Ellettsville (Town), for the period of January 1, 2005 to December 31, 2005. 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 year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 15, 2007

TOWN OF ELLETTSVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 543,031	\$ 1,153,357	\$ 1,559,923	\$ 136,465
Motor Vehicle Highway	96,007	309,844	366,484	39,367
Local Road and Street	21,641	46,984	39,352	29,273
Park and Recreation	16,671	4,981	12,973	8,679
Law Enforcement Continuing Education	7,849	7,311	5,994	9,166
Rainy Day	48,988	-	-	48,988
Christmas Decoration Donations	194	-	87	107
Disaster Relief	155	-	-	155
Donations for Tornado Siren	540	-	-	540
Drug Awareness	20	-	-	20
Ellettsville Downtown	12,630	-	12,630	-
Ellettsville Government Center	145,464	-	-	145,464
Fire Department Construction	46,503	1,716	47,188	1,031
K-9 Handler	8,665	-	-	8,665
Memorial Park Maintenance	4,622	-	53	4,569
OWI/Seatbelt Grant	111	-	-	111
Police Department Construction Fund	27,994	296	4,496	23,794
Police Reserves	-	823	823	-
Skate Park Donations	471	-	-	471
Skate Park Grant - Build Indiana	5,784	-	-	5,784
South Central Narcotics Strike	4,956	-	-	4,956
Bulletproof Vest Partnership Program	-	2,460	2,460	-
Drug Education Equipment Grant	-	2,102	2,102	-
Fire Department Communication Equipment	-	3,000	-	3,000
Department of Justice Asset Forfeiture	-	7,986	1,048	6,938
Volunteer Firemen	3,647	12,569	2,499	13,717
Fire Debt Service	-	89,129	78,752	10,377
Police Debt Service	-	85,074	77,576	7,498
Cumulative Capital Improvement	64,343	15,697	30,090	49,950
Cumulative Capital Development	23,613	29,994	25,963	27,644
Cumulative Building and Equipment	71,184	16,653	42,629	45,208
Proprietary Funds:				
Water Utility - Operating	325,985	1,186,663	1,223,080	289,568
Water Utility - Bond and Interest	12,575	122,514	121,402	13,687
Water Utility - Customer Deposit	30,079	6,480	7,014	29,545
Water Utility - Debt Service Reserve	139,839	2,863	15,118	127,584
Water Utility - Improvement	156,979	19,322	28,933	147,368
Wastewater Utility - Operating	378,917	1,695,852	1,616,079	458,690
Wastewater Utility - Bond and Interest	77,408	664,351	659,728	82,031
Wastewater Utility - Debt Service Reserve	784,353	24,399	86,516	722,236
Wastewater Utility - Customer Deposit	12,950	6,720	6,790	12,880
Wastewater Utility - Capacity User	318,047	139,288	20,501	436,834
Wastewater Utility - Equipment Replacement	672,610	151,699	125,128	699,181
Fiduciary Funds:				
Levy Excess	-	864	-	864
Payroll	207	1,059,010	1,058,215	1,002
Totals	<u>\$ 4,065,032</u>	<u>\$ 6,870,001</u>	<u>\$ 7,281,626</u>	<u>\$ 3,653,407</u>

The accompanying notes are an integral part of the schedules.

TOWN OF ELLETTSVILLE  
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, culture and recreation, water, wastewater 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.

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 ELLETTSVILLE  
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. Holding Corporation

The Town has entered into two capital leases with the Ellettsville 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 government.

TOWN OF ELLETTSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,104,908	\$ 1,322,642	\$ (217,734)	84%	\$ 1,353,038	(16%)
07-01-04	1,147,881	1,410,059	(262,178)	81%	1,356,258	(19%)
07-01-05	1,217,582	1,703,567	(485,985)	71%	1,479,992	(33%)

TOWN OF ELLETTSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on March 22, 2007, with Dennis L. Williamson, President of the Town Council; and Sandra C. Hash, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.