

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

EXAMINATION REPORT
OF
TOWN OF RIDGEVILLE
RANDOLPH COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
08/25/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Arlinda Hardwick

01-01-04 to 12-31-11

President of the Town Council

Gary Davis
Steve Taylor

01-01-06 to 12-31-06
01-01-07 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 RIDGEVILLE, RANDOLPH COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Ridgeville (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 present 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 a required part 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

July 21, 2008

TOWN OF RIDGEVILLE
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	\$ 152,930	\$ 216,728	\$ 229,278	\$ 140,380
Motor Vehicle Highway	21,470	30,822	18,594	33,698
Local Road and Street	362	9,466	-	9,828
Trash	647	33,574	31,182	3,039
Law Enforcement Continuing Education	857	400	500	757
Riverboat	10,631	5,305	-	15,936
Rainy Day	10,791	-	-	10,791
Levy Excess	9,284	5,326	9,284	5,326
Cumulative Capital Improvement	18,157	3,012	-	21,169
Cumulative Capital Development	2,313	3,667	133	5,847
Economic Development Income Tax	150,636	31,321	34,700	147,257
Proprietary Funds:				
Water Utility - Operating	50,839	96,566	94,526	52,879
Water Utility - Depreciation	7,980	8,782	6,868	9,894
Water Utility - Customer Deposit	10,004	2,166	1,359	10,811
Wastewater Utility - Operating	53,553	115,073	122,291	46,335
Fiduciary Fund:				
Payroll	-	169,761	169,761	-
Totals	<u>\$ 500,454</u>	<u>\$ 731,969</u>	<u>\$ 718,476</u>	<u>\$ 513,947</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 140,380	\$ 227,472	\$ 198,730	\$ 169,122
Motor Vehicle Highway	33,698	33,174	26,980	39,892
Local Road and Street	9,828	6,876	4,500	12,204
Trash	3,039	36,663	33,231	6,471
Law Enforcement Continuing Education	757	260	20	997
Riverboat	15,936	5,316	-	21,252
Rainy Day	10,791	3,721	-	14,512
Levy Excess	5,326	-	5,326	-
Cumulative Capital Improvement	21,169	2,961	-	24,130
Cumulative Capital Development	5,847	3,575	4,000	5,422
Economic Development Income Tax	147,257	33,020	52,595	127,682
Proprietary Funds:				
Water Utility - Operating	52,879	98,229	113,908	37,200
Water Utility - Depreciation	9,894	8,985	16,916	1,963
Water Utility - Customer Deposit	10,811	3,759	3,730	10,840
Wastewater Utility - Operating	46,335	117,908	121,314	42,929
Fiduciary Fund:				
Payroll	-	191,843	191,843	-
Totals	<u>\$ 513,947</u>	<u>\$ 773,762</u>	<u>\$ 773,093</u>	<u>\$ 514,616</u>

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

TOWN OF RIDGEVILLE
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 (Indiana Code 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 (Indiana Code 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 OR RIDGEVILLE
 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 6,600
Buildings	709,288
Machinery and equipment	<u>513,964</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,229,852</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,000
Capital assets being depreciated:	
Buildings	10,000
Improvements other than buildings	58,476
Machinery and equipment	<u>277,684</u>
 Total Water Utility capital assets	 <u>348,160</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	3,750
Construction in progress	42,095
Capital assets being depreciated:	
Buildings	45,119
Improvements other than buildings	521,486
Machinery and equipment	<u>119,580</u>
 Total Wastewater Utility capital assets	 <u>732,030</u>
 Total business-type activities capital assets	 <u>\$ 1,080,190</u>

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

The Town has entered into the following debt:

<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental Activities:		
EDIT advance from Randolph County	<u>\$ 40,000</u>	<u>\$ 22,000</u>

TOWN OF RIDGEVILLE
EXAMINATION RESULTS AND COMMENTS

RECEIPTS

In our test of receipts we noted that the utility collections are not deposited in the same form in which they were received. We noted that Town employees' personal checks, travel checks and/or payroll checks were cashed and cash change was given to customers who paid with checks issued for more than the amount due on their bill.

"Public funds shall be deposited in the same form in which they were received." (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

TOWN OF RIDGEVILLE
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2008, with Arlinda Hardwick, Clerk-Treasurer; and Steve Taylor, President of the Town Council. The official response has been made a part of this report and may be found on page 10.

Town of Ridgeville
P.O. Box 43
Ridgeville, Indiana 47380
765-857-2377

July 21, 2008

In response to the comments made by my audit, I wish to answer.

1. The reason I cashed checks because we have no bank, I was trying to help out the residents of the town. I will not do this any more, now I do get checks for more than the amount of the water bill and I take this out and give it back to the resident. Usually this isn't very much *Monies*, and if so I duly note this on the water card. If we did our billings on the computer this wouldn't be an issue, but by hand, we have enough to do. I believe the residents trust and believe in me, and I would not take their money.

2. Daily deposits of the water and sewer collections, I have not been going every day due to the cost of fuel, there again I was trying to save money. I also thought that my bond would cover the loss if the office was broken into, but after asking my insurance carrier, I was informed that it will, cover the towns loss, but then I would be responsible, so therefore I will go to the bank if I have collected utility bills.

Its tuff for small towns, with no tax base, no banks, nothing left, but a few small businesses. I am trying my best to help us stay afloat. Sorry I broke the law. I will (try) to do better.

Thank you;

Arlanda Hurdwick

P.S. I had good auditors, there are nice people, always helpful.

Clerk. Treas.