

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

EXAMINATION REPORT
OF
TOWN OF ROACHDALE
PUTNAM COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/09/2009

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Jennifer Crum
Vacant
Martha Louk

01-01-06 to 10-04-07
10-05-07 to 11-18-07
11-19-07 to 12-31-11

President of the
Town Council

William R. Long

01-01-07 to 12-31-09



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ROACHDALE, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Roachdale (Town), for the period of January 1, 2007 to December 31, 2008. 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 years ended December 31, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, 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

October 13, 2009

TOWN OF ROACHDALE
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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 157,854	\$ 269,851	\$ 343,569	\$ 84,136
Motor Vehicle Highway	134,775	51,496	4,550	181,721
Local Road and Street	49,042	4,559	-	53,601
Park and Recreation	1,668	65	-	1,733
Law Enforcement Continuing Education	1,980	680	-	2,660
Criminal Law Institution Grant	261	-	-	261
Economic Development Income Tax	152,780	647	-	153,427
Rainy Day CAGIT	6,223	-	-	6,223
Rainy Day EDIT	4,078	-	-	4,078
Cumulative Capital Improvement	32,002	3,511	-	35,513
Cumulative Capital Development	66,654	7,767	-	74,421
Proprietary Funds:				
Water Utility - Operating	29,508	124,374	131,057	22,825
Water Utility - Reserve	6,494	-	-	6,494
Water Utility - Replacement	3,952	-	-	3,952
Water Utility - Customer Deposit	10,547	1,350	1,205	10,692
Wastewater Utility - Operating	92,276	169,321	214,474	47,123
Wastewater Utility - Bond and Interest	9,450	-	9,450	-
Wastewater Utility - Reserve	74,678	23,005	-	97,683
Gas Utility - Operating	74,399	588,870	612,282	50,987
Gas Utility - Reserve	212,224	128	50,804	161,548
Gas Utility - Replacement	221,201	-	57,369	163,832
Gas Utility - Customer Deposit	26,872	3,896	3,553	27,215
Fiduciary Fund:				
Payroll	18,606	236,064	248,394	6,276
Totals	<u>\$ 1,387,524</u>	<u>\$ 1,485,584</u>	<u>\$ 1,676,707</u>	<u>\$ 1,196,401</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 84,136	\$ 195,943	\$ 203,315	\$ 76,764
Motor Vehicle Highway	181,721	40,077	23,660	198,138
Local Road and Street	53,601	4,180	-	57,781
Park and Recreation	1,733	65	-	1,798
Law Enforcement Continuing Education	2,660	1,140	-	3,800
Criminal Law Institution Grant	261	-	-	261
Economic Development Income Tax	153,427	-	-	153,427
Rainy Day CAGIT	6,223	5,934	-	12,157
Rainy Day EDIT	4,078	-	-	4,078
Cumulative Capital Improvement	35,513	3,171	8,900	29,784
Cumulative Capital Development	74,421	4,133	5,414	73,140
Proprietary Funds:				
Water Utility - Operating	22,825	145,657	161,272	7,210
Water Utility - Reserve	6,494	-	6,494	-
Water Utility - Replacement	3,952	-	3,952	-
Water Utility - Customer Deposit	10,692	1,370	1,212	10,850
Wastewater Utility - Operating	47,123	174,478	214,702	6,899
Wastewater Utility - Bond and Interest	-	44,556	-	44,556
Wastewater Utility - Reserve	97,683	1,039	33,735	64,987
Gas Utility - Operating	50,987	607,631	611,726	46,892
Gas Utility - Reserve	161,548	776	50,000	112,324
Gas Utility - Replacement	163,832	313	78,621	85,524
Gas Utility - Customer Deposit	27,215	4,897	3,974	28,138
Fiduciary Fund:				
Payroll	6,276	250,354	247,867	8,763
Totals	<u>\$ 1,196,401</u>	<u>\$ 1,485,714</u>	<u>\$ 1,654,844</u>	<u>\$ 1,027,271</u>

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

TOWN OF ROACHDALE
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 (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. 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.

TOWN OF ROACHDALE
NOTES TO FINANCIAL INFORMATION
(Continued)

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. 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.

Town Council
William R. Long
Jackie R. Jones
Barbara A. Scott

Clerk Treasurer
Martha A. Louk

Town of Roachdale
205 N. Indiana Street
P.O. Box 198
Roachdale, IN 46172
Phone (765)522-1532 Fax (765)522-2297

TOWN OF ROACHDALE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

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:		
Notes and loans payable	<u>\$ 54,596</u>	<u>\$ 13,735</u>
Business-type Activities:		
Wastewater Utility		
Notes and loans payable	<u>\$ 332,000</u>	<u>\$ 42,628</u>

TOWN OF ROACHDALE
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS (Town and Utilities)

As stated in the prior Reports B27410 and B3153, capital asset records are not being maintained. Reports providing historical costs are not available and records classifying and summarizing the capital assets are incomplete. Deletions or disposals are not being recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year 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)

PRESCRIBED FORMS (Town and Utilities)

As stated in the prior Reports B25043, B27410, and B31153, the following prescribed or approved forms were not always in use:

Register of Investments (Form 350)
Guarantee Deposit Register (Form 314)

As stated in prior Report B31153, the following prescribed or approved forms were not always in use:

Payroll Schedule and Voucher (Form 99)
Employee's Service Record (Form 99A)
Employee's Earnings Record (Form 99B)

The Town and Utilities use Greentree software for bookkeeping. No forms produced by Greentree have been approved by the State Board of Accounts, for use by the Town or Utilities.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF ROACHDALE
EXAMINATION RESULTS AND COMMENTS
(Continued)

CUSTOMER DEPOSIT REGISTER (Water and Gas Utilities)

As stated in the prior Reports B27410 and B31153, the detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger. The balances carried in the general ledger exceeded the amounts in the detailed customer deposit register.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS (Town)

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Capital Improvement	2008	<u>\$ 2,574</u>

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TOWN OF ROACHDALE
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2009, with Martha Louk, Clerk-Treasurer; and William R. Long, President of the Town Council. The officials concurred with our findings.