

B37331

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

EXAMINATION REPORT
OF
TOWN OF ROME CITY
NOBLE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
08/11/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda K. Conley	01-01-04 to 12-31-11
President of the Town Council	David H. Abbott	01-01-07 to 12-31-10
Town Manager	Leigh A. Pranger	01-01-07 to 12-31-10



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 ROME CITY, NOBLE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Rome City (Town), for the period of January 1, 2007 to December 31, 2009. 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, 2008, and 2009, 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 required parts 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

June 30, 2010

TOWN OF ROME CITY
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, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 124,576	\$ 314,114	\$ 315,062	\$ 123,628
Motor Vehicle Highway	79,092	105,272	122,119	62,245
Local Road and Street	13,881	9,635	-	23,516
Law Enforcement Continuing Education	1,714	682	1,197	1,199
Riverboat	7,602	10,184	2,400	15,386
Rainy Day	-	27,306	-	27,306
Watershed	944	4,845	4,985	804
Park Donation	8,143	4,745	4,741	8,147
Police Donation	516	210	210	516
Conservancy District Rent	3,650	-	3,650	-
Cumulative Capital Improvement	11,118	5,672	14,000	2,790
Cumulative Capital Development	20,143	12,773	-	32,916
County Economic Development Income Tax	43,530	89,764	94,154	39,140
Proprietary Funds:				
Wastewater Utility - Operating	274,527	450,434	419,332	305,629
Wastewater Utility - Bond and Interest	35,620	36,000	32,480	39,140
Wastewater Utility - Debt Service Reserve	40,915	612	-	41,527
Wastewater Utility - Improvement	35,508	13,488	-	48,996
Health Insurance	19,709	44,700	61,845	2,564
Fiduciary Fund:				
Payroll	724	311,289	311,822	191
Totals	\$ 721,912	\$ 1,441,725	\$ 1,387,997	\$ 775,640

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 123,628	\$ 307,731	\$ 312,430	\$ 118,929
Motor Vehicle Highway	62,245	130,849	129,744	63,350
Local Road and Street	23,516	9,060	8,000	24,576
Law Enforcement Continuing Education	1,199	898	1,140	957
Riverboat	15,386	10,131	2,775	22,742
Rainy Day	27,306	12,077	-	39,383
Watershed	804	7,100	7,009	895
Park Donation	8,147	3,753	-	11,900
Police Donation	516	270	-	786
Cumulative Capital Improvement	2,790	5,252	2,500	5,542
Cumulative Capital Development	32,916	15,713	11,330	37,299
County Economic Development Income Tax	39,140	64,058	50,108	53,090
Proprietary Funds:				
Wastewater Utility - Operating	305,629	443,313	358,930	390,012
Wastewater Utility - Bond and Interest	39,140	3,000	30,765	11,375
Wastewater Utility - Debt Service Reserve	41,527	51	38,000	3,578
Wastewater Utility - Improvement	48,996	68,049	52,284	64,761
Health Insurance	2,564	68,730	67,646	3,648
Fiduciary Fund:				
Payroll	191	314,187	313,884	494
Totals	\$ 775,640	\$ 1,464,222	\$ 1,386,545	\$ 853,317

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 118,929	\$ 295,526	\$ 321,840	\$ 92,615
Motor Vehicle Highway	63,350	128,014	117,694	73,670
Local Road and Street	24,576	8,978	23,657	9,897
Law Enforcement Continuing Education	957	1,405	990	1,372
Riverboat	22,742	10,107	7,140	25,709
Rainy Day	39,383	14,004	2,549	50,838
Watershed	895	7,300	6,547	1,648
Park Donation	11,900	2,675	-	14,575
Police Donation	786	1,139	835	1,090
Cumulative Capital Improvement	5,542	4,953	2,500	7,995
Cumulative Capital Development	37,299	54,209	28,672	62,836
County Economic Development Income Tax	53,090	68,570	62,927	58,733
Proprietary Funds:				
Wastewater Utility - Operating	390,012	429,557	367,851	451,718
Wastewater Utility - Bond and Interest	11,375	-	-	11,375
Wastewater Utility - Debt Service Reserve	3,578	-	-	3,578
Wastewater Utility - Improvement	64,761	50,100	45,321	69,540
Health Insurance	3,648	64,680	64,588	3,740
Fiduciary Fund:				
Payroll	494	317,524	317,654	364
Totals	\$ 853,317	\$ 1,458,741	\$ 1,370,765	\$ 941,293

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

TOWN OF ROME CITY
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.

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 ROME CITY
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.

TOWN OF ROME CITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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	\$ 21,255
Buildings	964,975
Improvements other than buildings	59,948
Machinery and equipment	<u>364,260</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,410,438</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 25,286
Buildings	225,580
Improvements other than buildings	3,889,550
Machinery and equipment	<u>173,619</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,314,035</u>

TOWN OF ROME CITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Town hall	\$ 575,000	\$ 60,078
Loans payable		
Police car	13,153	6,980
Police radios	<u>11,422</u>	<u>6,105</u>
Total governmental activities debt	<u>\$ 599,575</u>	<u>\$ 73,163</u>

TOWN OF ROME CITY
EXIT CONFERENCE

The contents of this report were discussed on June 30, 2010, with Brenda K. Conley, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.