

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

EXAMINATION REPORT  
OF  
TOWN OF OSGOOD  
RIPLEY COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
11/18/2010



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Tamara Wilhoit

01-01-05 to 12-31-12

President of the Town Council

Jeffery J. Volz  
Linda Krinop

01-01-08 to 12-31-08  
01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF OSGOOD, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Osgood (Town), for the period of January 1, 2008 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, 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

September 8, 2010

TOWN OF OSGOOD  
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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 397,254	\$ 455,910	\$ 344,487	\$ 508,677
Motor Vehicle Highway	98,000	45,248	79,502	63,746
Local Road and Street	3,674	14,064	8,854	8,884
Economic Development	181,321	10,226	-	191,547
Law Enforcement Continuing Education	2,287	600	794	2,093
Riverboat	526,462	270,624	116,695	680,391
Rainy Day	43,951	4,858	822	47,987
Ripley County Substance Abuse	1,915	-	1,526	389
Osgood Development Foundation	350	-	-	350
Criminal Justice Institute CFDA 20.600	(39)	39	-	-
Reynolds Foundation Grant	-	13,890	13,890	-
Cumulative Capital Improvement	63,999	5,428	27,500	41,927
Cumulative Capital Development	45,569	19,526	11,510	53,585
County Economic Development Tax	164,464	30,003	11,566	182,901
Ripley County Community Foundation	-	18,612	5,341	13,271
Federal Grant CF-06-237-1	-	200,202	200,202	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	388,746	718,764	779,192	328,318
Water Utility - Bond and Interest	122,867	101,144	103,556	120,455
Water Utility - Debt Service Reserve	180,210	11,972	-	192,182
Water Utility - Customer Deposit	22,077	3,225	2,925	22,377
Water Utility - Improvement	9,333	37,565	35,942	10,956
Wastewater Utility - Operating	195,369	467,188	533,571	128,986
Wastewater Utility - Bond and Interest	15,152	76,601	79,375	12,378
Wastewater Utility - Debt Service Reserve	24,447	1,638	-	26,085
Wastewater Utility - Construction	1,615	-	-	1,615
Wastewater Utility - Improvement	1,645	-	-	1,645
Gas Utility - Operating	571,795	1,385,300	1,499,370	457,725
Gas Utility - Depreciation	45,200	252,297	12,710	284,787
Gas Utility - Customer Deposit	45,207	7,400	6,560	46,047
<b>Fiduciary Fund:</b>				
Payroll	2,699	587,298	582,448	7,549
<b>Totals</b>	<b>\$ 3,155,569</b>	<b>\$ 4,739,622</b>	<b>\$ 4,458,338</b>	<b>\$ 3,436,853</b>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 508,677	\$ 418,748	\$ 382,069	\$ 545,356
Motor Vehicle Highway	63,746	44,297	75,118	32,925
Local Road and Street	8,884	20,689	7,743	21,830
Economic Development	191,547	4,362	7,954	187,955
Law Enforcement Continuing Education	2,093	1,362	900	2,555
Riverboat	680,391	184,683	152,640	712,434
Rainy Day	47,987	-	-	47,987
Ripley County Substance Abuse	389	-	389	-
Osgood Development Foundation	350	-	-	350
Reynolds Foundation Grant	-	57,219	57,219	-
Cumulative Capital Improvement	41,927	5,117	133	46,911
Cumulative Capital Development	53,585	12,026	11,600	54,011
County Economic Development Tax	182,901	33,858	12,383	204,376
Ripley County Community Foundation	13,271	2,525	15,759	37
<b>Proprietary Funds:</b>				
Water Utility - Operating	328,318	784,379	701,915	410,782
Water Utility - Bond and Interest	120,455	51,591	51,500	120,546
Water Utility - Debt Service Reserve	192,182	4,962	-	197,144
Water Utility - Customer Deposit	22,377	7,075	3,615	25,837
Water Utility - Improvement	10,956	-	-	10,956
Wastewater Utility - Operating	128,986	435,372	435,741	128,617
Wastewater Utility - Bond and Interest	12,378	80,010	79,385	13,003
Wastewater Utility - Debt Service Reserve	26,085	661	-	26,746
Wastewater Utility - Construction	1,615	-	-	1,615
Wastewater Utility - Improvement	1,645	-	-	1,645
Gas Utility - Operating	457,725	1,157,119	1,092,762	522,082
Gas Utility - Depreciation	284,787	935	-	285,722
Gas Utility - Customer Deposit	46,047	6,540	6,403	46,184
<b>Fiduciary Fund:</b>				
Payroll	7,549	639,493	638,798	8,244
<b>Totals</b>	<b>\$ 3,436,853</b>	<b>\$ 3,953,023</b>	<b>\$ 3,734,026</b>	<b>\$ 3,655,850</b>

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

TOWN OF OSGOOD  
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, highways and streets, sanitation, public improvements, gas, water, wastewater, urban redevelopment and housing, 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 OSGOOD  
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 OF OSGOOD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 115,300
Infrastructure	2,898,601
Buildings	601,148
Machinery and equipment	<u>725,462</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 4,340,511</u>
 <u>Primary Government</u>	
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 145,000
Infrastructure	1,512,037
Buildings	1,791,919
Machinery and equipment	<u>443,997</u>
 Total Water Utility capital assets	 <u>3,892,953</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	6,059
Infrastructure	1,873,700
Buildings	2,732,734
Machinery and equipment	<u>289,481</u>
 Total Wastewater Utility capital assets	 <u>4,901,974</u>
Gas Utility:	
Capital assets, not being depreciated:	
Infrastructure	642,163
Buildings	89,882
Machinery and equipment	<u>197,358</u>
 Total Gas Utility capital assets	 <u>929,403</u>
 Total business-type activities capital assets	 <u>\$ 9,724,330</u>

TOWN OF OSGOOD  
 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
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Sewage Works	\$ 1,230,000	\$ 79,350

TOWN OF OSGOOD  
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2010, with Tamara Wilhoit, Clerk-Treasurer; and Linda Krinop, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.