

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF ROSEDALE

PARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
01/24/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	C. Adrienne Robinson	01-01-08 to 12-31-15
President of the Town Council	Lester Stone John W. McMullen	01-01-10 to 12-31-11 01-01-12 to 12-31-13



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ROSEDALE, PARKE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Rosedale (Town), for the period of January 1, 2010 to December 31, 2012. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2012.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 16, 2013

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF ROSEDALE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 103,706	\$ 108,975	\$ 104,051	\$ 108,630
Motor Vehicle Highway	15,287	33,780	19,255	29,812
Local Road & Street	10,599	2,474	909	12,164
Ocra Grant 08 Water Proj	1,511	-	1,511	-
Local Law Enf Cont Ed	674	1,829	954	1,549
Rainy Day Fund	5,296	14	-	5,310
Grants	2,686	-	2,686	-
Public Safety	7,585	8,811	4,388	12,008
Debt Serv Princ & Int	4,672	7,455	7,795	4,332
Cum Cap Imp	18,459	2,232	-	20,691
Cum Cap Development	8,608	2,157	-	10,765
Cumulative Fire	14,061	231	1,259	13,033
Park & Recreation	1,865	4	-	1,869
Payroll	1,689	84,567	84,637	1,619
Sewage Utility Operating	53,152	124,862	137,383	40,631
Sewage Utl Bond & Int	24	29,624	29,621	27
Sewage Improvement	6,690	14	-	6,704
Sewage Utl Debt Res	19,356	2,286	-	21,642
Water Utility Operating	56,540	156,291	145,642	67,189
Water Utl Bond & Intere	7,534	10,090	13,397	4,227
Water Improvement	4,028	907	-	4,935
Water Utl Meter Deposit	7,478	1,725	475	8,728
Bank Of New York B&I	12,834	38,897	38,645	13,086
Water Project Escrow	50	-	-	50
Water Utl Debt Res	45,178	2,584	-	47,762
Totals	<u>\$ 409,562</u>	<u>\$ 619,809</u>	<u>\$ 592,608</u>	<u>\$ 436,763</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROSEDALE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
GENERAL FUND	\$ 108,630	\$ 105,210	\$ 107,606	\$ 106,234
MOTOR VEHICLE HIGHWAY	29,812	33,655	11,602	51,865
LOCAL ROAD & STREET	12,164	2,363	1,372	13,155
LOCAL LAW ENF CONT ED	1,549	1,439	367	2,621
PARK & RECREATION	1,869	-	-	1,869
RAINY DAY FUND	5,310	17	-	5,327
LOCAL GRANT PARK 2011	-	5,213	5,094	119
CUM CAP IMP	20,691	2,211	-	22,902
CUM CAP DEVELOPMENT	10,765	2,089	-	12,854
CUMULATIVE FIRE	13,033	232	-	13,265
PUBLIC SAFETY	12,008	8,504	6,702	13,810
DEBT SERV PRINC & INT	4,332	-	3,805	527
PAYROLL	1,619	77,946	77,241	2,324
SEWAGE UTILITY OPERATING	40,631	119,740	122,958	37,413
SEWAGE IMPROVEMENT	6,704	20	-	6,724
SEWAGE UTL BOND & INT	27	33,241	28,995	4,273
SEWAGE UTL DEBT RES	21,642	3,824	-	25,466
WATER UTILITY OPERATING	67,189	172,985	156,311	83,863
WATER UTL METER DEPOSIT	8,728	2,325	1,200	9,853
WATER IMPROVEMENT	4,935	1,513	223	6,225
BANK OF NEW YORK B&I	13,086	35,523	38,639	9,970
WATER PROJECT ESCROW	50	-	-	50
WATER UTL BOND & INTERE	4,227	12,029	13,100	3,156
WATER UTL DEBT RES	47,762	2,350	-	50,112
Totals	<u>\$ 436,763</u>	<u>\$ 622,429</u>	<u>\$ 575,215</u>	<u>\$ 483,977</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROSEDALE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL FUND	\$ 106,234	\$ 90,391	\$ 121,280	\$ 75,345
MOTOR VEHICLE HIGHWAY	51,865	24,013	5,080	70,798
LOCAL ROAD & STREET	13,155	2,332	-	15,487
LOCAL LAW ENF CONT ED	2,621	25	541	2,105
PARK & RECREATION	1,869	-	-	1,869
RAINY DAY FUND	5,327	-	1,000	4,327
LEVY EXCESS FUND	-	110	-	110
LOCAL GRANT PARK 2011	119	-	113	6
CUM CAP IMP	22,902	4,452	2,690	24,664
CUM CAP DEVELOPMENT	12,854	1,172	2,750	11,276
CUMULATIVE FIRE	13,265	131	-	13,396
PUBLIC SAFETY	13,810	8,453	6,197	16,066
DEBT SERV PRINC & INT	527	-	-	527
PAYROLL	2,324	80,981	81,055	2,250
SEWAGE UTILITY OPERATING	37,413	122,747	149,267	10,893
SEWAGE IMPROVEMENT	6,724	-	5,300	1,424
SEWAGE UTL BOND & INT	4,273	33,400	33,355	4,318
SEWAGE UTL DEBT RES	25,466	2,750	-	28,216
WATER UTILITY OPERATING	83,863	190,262	160,983	113,142
WATER UTL METER DEPOSIT	9,853	2,175	1,800	10,228
WATER IMPROVEMENT	6,225	1,200	3,256	4,169
BANK OF NEW YORK B&I	9,970	38,535	38,450	10,055
WATER PROJECT ESCROW	50	-	-	50
WATER UTL BOND & INTERE	3,156	12,840	12,800	3,196
WATER UTL DEBT RES	50,112	2,520	-	52,632
Totals	<u>\$ 483,977</u>	<u>\$ 618,489</u>	<u>\$ 625,917</u>	<u>\$ 476,549</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF ROSEDALE
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

TOWN OF ROSEDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF ROSEDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 ROSEDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road & Street	Oca Grant 08 Water Proj	Local Law Enf Cont Ed	Rainy Day Fund	Grants
Cash and investments - beginning	\$ 103,706	\$ 15,287	\$ 10,599	\$ 1,511	\$ 674	\$ 5,296	\$ 2,686
Receipts:							
Taxes	42,371	8,640	-	-	-	-	-
Intergovernmental	54,207	25,111	2,451	-	-	-	-
Charges for services	8,954	-	-	-	582	-	-
Fines and forfeits	528	-	-	-	1,243	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,915	29	23	-	4	14	-
Total receipts	108,975	33,780	2,474	-	1,829	14	-
Disbursements:							
Personal services	35,478	12,131	-	-	-	-	-
Supplies	8,516	3,681	-	-	881	-	-
Other services and charges	59,324	3,443	909	1,511	73	-	2,686
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	733	-	-	-	-	-	-
Total disbursements	104,051	19,255	909	1,511	954	-	2,686
Excess (deficiency) of receipts over disbursements	4,924	14,525	1,565	(1,511)	875	14	(2,686)
Cash and investments - ending	\$ 108,630	\$ 29,812	\$ 12,164	\$ -	\$ 1,549	\$ 5,310	\$ -

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Public Safety	Debt Serv Princ & Int	Cum Cap Imp	Cum Cap Development	Cumulative Fire	Park & Recreation	Payroll
Cash and investments - beginning	\$ 7,585	\$ 4,672	\$ 18,459	\$ 8,608	\$ 14,061	\$ 1,865	\$ 1,689
Receipts:							
Taxes	-	6,143	-	1,766	166	-	-
Intergovernmental	8,811	1,308	2,196	376	36	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	4	36	15	29	4	84,567
Total receipts	8,811	7,455	2,232	2,157	231	4	84,567
Disbursements:							
Personal services	-	-	-	-	-	-	82,020
Supplies	-	-	-	-	-	-	-
Other services and charges	-	7,795	-	-	300	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,388	-	-	-	959	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	2,617
Total disbursements	4,388	7,795	-	-	1,259	-	84,637
Excess (deficiency) of receipts over disbursements	4,423	(340)	2,232	2,157	(1,028)	4	(70)
Cash and investments - ending	\$ 12,008	\$ 4,332	\$ 20,691	\$ 10,765	\$ 13,033	\$ 1,869	\$ 1,619

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewage Utility Operating	Sewage Util Bond & Int	Sewage Improvement	Sewage Util Debt Res	Water Utility Operating	Water Util Bond & Intere
Cash and investments - beginning	\$ 53,152	\$ 24	\$ 6,690	\$ 19,356	\$ 56,540	\$ 7,534
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	113,532	-	-	-	137,442	-
Penalties	4,404	-	-	-	1,753	-
Other receipts	6,926	29,624	14	2,286	17,096	10,090
Total receipts	<u>124,862</u>	<u>29,624</u>	<u>14</u>	<u>2,286</u>	<u>156,291</u>	<u>10,090</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	29,621	-	-	-	13,397
Capital outlay	2,377	-	-	-	2,191	-
Utility operating expenses	49,277	-	-	-	56,724	-
Other disbursements	85,729	-	-	-	86,727	-
Total disbursements	<u>137,383</u>	<u>29,621</u>	<u>-</u>	<u>-</u>	<u>145,642</u>	<u>13,397</u>
Excess (deficiency) of receipts over disbursements	<u>(12,521)</u>	<u>3</u>	<u>14</u>	<u>2,286</u>	<u>10,649</u>	<u>(3,307)</u>
Cash and investments - ending	<u>\$ 40,631</u>	<u>\$ 27</u>	<u>\$ 6,704</u>	<u>\$ 21,642</u>	<u>\$ 67,189</u>	<u>\$ 4,227</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Improvement	Water Utl Meter Deposit	Bank Of New York B&I	Water Project Escrow	Water Utl Debt Res	Totals
Cash and investments - beginning	\$ 4,028	\$ 7,478	\$ 12,834	\$ 50	\$ 45,178	\$ 409,562
Receipts:						
Taxes	-	-	-	-	-	59,086
Intergovernmental	-	-	-	-	-	94,496
Charges for services	-	-	-	-	-	9,536
Fines and forfeits	-	-	-	-	-	1,771
Utility fees	-	1,725	-	-	-	252,699
Penalties	-	-	-	-	-	6,157
Other receipts	907	-	38,897	-	2,584	196,064
Total receipts	907	1,725	38,897	-	2,584	619,809
Disbursements:						
Personal services	-	-	-	-	-	129,629
Supplies	-	-	-	-	-	13,078
Other services and charges	-	-	-	-	-	76,041
Debt service - principal and interest	-	-	38,645	-	-	81,663
Capital outlay	-	-	-	-	-	9,915
Utility operating expenses	-	475	-	-	-	106,476
Other disbursements	-	-	-	-	-	175,806
Total disbursements	-	475	38,645	-	-	592,608
Excess (deficiency) of receipts over disbursements	907	1,250	252	-	2,584	27,201
Cash and investments - ending	\$ 4,935	\$ 8,728	\$ 13,086	\$ 50	\$ 47,762	\$ 436,763

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	PARK & RECREATION	RAINY DAY FUND	LOCAL GRANT PARK 2011
Cash and investments - beginning	\$ 108,630	\$ 29,812	\$ 12,164	\$ 1,549	\$ 1,869	\$ 5,310	\$ -
Receipts:							
Taxes	63,164	9,004	-	-	-	-	-
Intergovernmental	26,991	24,442	2,334	-	-	-	5,213
Charges for services	9,300	-	-	-	-	-	-
Fines and forfeits	-	-	-	877	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	5,755	209	29	562	-	17	-
Total receipts	<u>105,210</u>	<u>33,655</u>	<u>2,363</u>	<u>1,439</u>	<u>-</u>	<u>17</u>	<u>5,213</u>
Disbursements:							
Personal services	78,084	-	-	-	-	-	-
Supplies	5,823	5,495	-	-	-	-	5,094
Other services and charges	22,246	5,585	1,372	367	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	200	522	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,253	-	-	-	-	-	-
Total disbursements	<u>107,606</u>	<u>11,602</u>	<u>1,372</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>5,094</u>
Excess (deficiency) of receipts over disbursements	<u>(2,396)</u>	<u>22,053</u>	<u>991</u>	<u>1,072</u>	<u>-</u>	<u>17</u>	<u>119</u>
Cash and investments - ending	<u>\$ 106,234</u>	<u>\$ 51,865</u>	<u>\$ 13,155</u>	<u>\$ 2,621</u>	<u>\$ 1,869</u>	<u>\$ 5,327</u>	<u>\$ 119</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CUM CAP IMP	CUM CAP DEVELOPMENT	CUMULATIVE FIRE	PUBLIC SAFETY	DEBT SERV PRINC & INT	PAYROLL
Cash and investments - beginning	\$ 20,691	\$ 10,765	\$ 13,033	\$ 12,008	\$ 4,332	\$ 1,619
Receipts:						
Taxes	-	1,697	167	-	-	-
Intergovernmental	2,154	363	36	8,470	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	57	29	29	34	-	77,946
Total receipts	<u>2,211</u>	<u>2,089</u>	<u>232</u>	<u>8,504</u>	<u>-</u>	<u>77,946</u>
Disbursements:						
Personal services	-	-	-	-	-	67,210
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	6,702	-	-
Debt service - principal and interest	-	-	-	-	3,805	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	10,031
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,702</u>	<u>3,805</u>	<u>77,241</u>
Excess (deficiency) of receipts over disbursements	<u>2,211</u>	<u>2,089</u>	<u>232</u>	<u>1,802</u>	<u>(3,805)</u>	<u>705</u>
Cash and investments - ending	<u>\$ 22,902</u>	<u>\$ 12,854</u>	<u>\$ 13,265</u>	<u>\$ 13,810</u>	<u>\$ 527</u>	<u>\$ 2,324</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	SEWAGE UTILITY OPERATING	SEWAGE IMPROVEMENT	SEWAGE UTL BOND & INT	SEWAGE UTL DEBT RES	WATER UTILITY OPERATING	WATER UTL METER DEPOSIT
Cash and investments - beginning	\$ 40,631	\$ 6,704	\$ 27	\$ 21,642	\$ 67,189	\$ 8,728
Receipts:						
Taxes	-	-	-	-	9,051	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	111,695	-	-	-	138,257	-
Penalties	4,010	-	-	-	1,557	-
Other receipts	4,035	20	33,241	3,824	24,120	2,325
Total receipts	<u>119,740</u>	<u>20</u>	<u>33,241</u>	<u>3,824</u>	<u>172,985</u>	<u>2,325</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	28,995	-	-	-
Capital outlay	736	-	-	-	940	-
Utility operating expenses	91,972	-	-	-	79,048	-
Other disbursements	30,250	-	-	-	76,323	1,200
Total disbursements	<u>122,958</u>	<u>-</u>	<u>28,995</u>	<u>-</u>	<u>156,311</u>	<u>1,200</u>
Excess (deficiency) of receipts over disbursements	<u>(3,218)</u>	<u>20</u>	<u>4,246</u>	<u>3,824</u>	<u>16,674</u>	<u>1,125</u>
Cash and investments - ending	<u>\$ 37,413</u>	<u>\$ 6,724</u>	<u>\$ 4,273</u>	<u>\$ 25,466</u>	<u>\$ 83,863</u>	<u>\$ 9,853</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	WATER IMPROVEMENT	BANK OF NEW YORK B&I	WATER PROJECT ESCROW	WATER UTL BOND & INTERE	WATER UTL DEBT RES	TOTALS
Cash and investments - beginning	\$ 4,935	\$ 13,086	\$ 50	\$ 4,227	\$ 47,762	\$ 436,763
Receipts:						
Taxes	-	-	-	-	-	83,083
Intergovernmental	-	-	-	-	-	70,003
Charges for services	-	-	-	-	-	9,300
Fines and forfeits	-	-	-	-	-	877
Utility fees	-	-	-	-	-	249,952
Penalties	-	-	-	-	-	5,567
Other receipts	1,513	35,523	-	12,029	2,350	203,647
Total receipts	<u>1,513</u>	<u>35,523</u>	<u>-</u>	<u>12,029</u>	<u>2,350</u>	<u>622,429</u>
Disbursements:						
Personal services	-	-	-	-	-	145,294
Supplies	-	-	-	-	-	16,412
Other services and charges	-	-	-	-	-	36,272
Debt service - principal and interest	-	38,639	-	13,100	-	84,539
Capital outlay	-	-	-	-	-	2,398
Utility operating expenses	-	-	-	-	-	171,020
Other disbursements	223	-	-	-	-	119,280
Total disbursements	<u>223</u>	<u>38,639</u>	<u>-</u>	<u>13,100</u>	<u>-</u>	<u>575,215</u>
Excess (deficiency) of receipts over disbursements	<u>1,290</u>	<u>(3,116)</u>	<u>-</u>	<u>(1,071)</u>	<u>2,350</u>	<u>47,214</u>
Cash and investments - ending	<u>\$ 6,225</u>	<u>\$ 9,970</u>	<u>\$ 50</u>	<u>\$ 3,156</u>	<u>\$ 50,112</u>	<u>\$ 483,977</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	PARK & RECREATION	RAINY DAY FUND	LEVY EXCESS FUND
Cash and investments - beginning	\$ 106,234	\$ 51,865	\$ 13,155	\$ 2,621	\$ 1,869	\$ 5,327	\$ -
Receipts:							
Taxes	53,006	2,178	-	-	-	-	110
Intergovernmental	23,943	21,835	2,332	-	-	-	-
Charges for services	11,520	-	-	-	-	-	-
Fines and forfeits	50	-	-	25	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,872	-	-	-	-	-	-
Total receipts	<u>90,391</u>	<u>24,013</u>	<u>2,332</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>110</u>
Disbursements:							
Personal services	44,390	-	-	-	-	-	-
Supplies	3,979	2,425	-	434	-	-	-
Other services and charges	67,950	2,655	-	107	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	61	-	-	-	-	1,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,900	-	-	-	-	-	-
Total disbursements	<u>121,280</u>	<u>5,080</u>	<u>-</u>	<u>541</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(30,889)</u>	<u>18,933</u>	<u>2,332</u>	<u>(516)</u>	<u>-</u>	<u>(1,000)</u>	<u>110</u>
Cash and investments - ending	<u>\$ 75,345</u>	<u>\$ 70,798</u>	<u>\$ 15,487</u>	<u>\$ 2,105</u>	<u>\$ 1,869</u>	<u>\$ 4,327</u>	<u>\$ 110</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	LOCAL GRANT PARK 2011	CUM CAP IMP	CUM CAP DEVELOPMENT	CUMULATIVE FIRE	PUBLIC SAFETY	DEBT SERV PRINC & INT	PAYROLL
Cash and investments - beginning	\$ 119	\$ 22,902	\$ 12,854	\$ 13,265	\$ 13,810	\$ 527	\$ 2,324
Receipts:							
Taxes	-	-	1,001	111	-	-	-
Intergovernmental	-	4,452	171	20	8,453	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	80,981
Total receipts	-	4,452	1,172	131	8,453	-	80,981
Disbursements:							
Personal services	-	-	-	-	-	-	65,821
Supplies	113	-	-	-	-	-	-
Other services and charges	-	2,690	-	-	6,197	-	880
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	2,750	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	14,354
Total disbursements	113	2,690	2,750	-	6,197	-	81,055
Excess (deficiency) of receipts over disbursements	(113)	1,762	(1,578)	131	2,256	-	(74)
Cash and investments - ending	\$ 6	\$ 24,664	\$ 11,276	\$ 13,396	\$ 16,066	\$ 527	\$ 2,250

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	SEWAGE UTILITY OPERATING	SEWAGE IMPROVEMENT	SEWAGE UTL BOND & INT	SEWAGE UTL DEBT RES	WATER UTILITY OPERATING	WATER UTL METER DEPOSIT
Cash and investments - beginning	\$ 37,413	\$ 6,724	\$ 4,273	\$ 25,466	\$ 83,863	\$ 9,853
Receipts:						
Taxes	-	-	-	-	9,571	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	114,824	-	-	-	152,820	-
Penalties	4,753	-	-	-	1,869	-
Other receipts	3,170	-	33,400	2,750	26,002	2,175
Total receipts	<u>122,747</u>	<u>-</u>	<u>33,400</u>	<u>2,750</u>	<u>190,262</u>	<u>2,175</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	33,355	-	-	-
Capital outlay	6,137	-	-	-	50	-
Utility operating expenses	106,980	-	-	-	75,177	-
Other disbursements	36,150	5,300	-	-	85,756	1,800
Total disbursements	<u>149,267</u>	<u>5,300</u>	<u>33,355</u>	<u>-</u>	<u>160,983</u>	<u>1,800</u>
Excess (deficiency) of receipts over disbursements	<u>(26,520)</u>	<u>(5,300)</u>	<u>45</u>	<u>2,750</u>	<u>29,279</u>	<u>375</u>
Cash and investments - ending	<u>\$ 10,893</u>	<u>\$ 1,424</u>	<u>\$ 4,318</u>	<u>\$ 28,216</u>	<u>\$ 113,142</u>	<u>\$ 10,228</u>

TOWN OF ROSEDALE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	WATER IMPROVEMENT	BANK OF NEW YORK B&I	WATER PROJECT ESCROW	WATER UTL BOND & INTERE	WATER UTL DEBT RES	TOTALS
Cash and investments - beginning	\$ 6,225	\$ 9,970	\$ 50	\$ 3,156	\$ 50,112	\$ 483,977
Receipts:						
Taxes	-	-	-	-	-	65,977
Intergovernmental	-	-	-	-	-	61,206
Charges for services	-	-	-	-	-	11,520
Fines and forfeits	-	-	-	-	-	75
Utility fees	-	-	-	-	-	267,644
Penalties	-	-	-	-	-	6,622
Other receipts	1,200	38,535	-	12,840	2,520	205,445
Total receipts	<u>1,200</u>	<u>38,535</u>	<u>-</u>	<u>12,840</u>	<u>2,520</u>	<u>618,489</u>
Disbursements:						
Personal services	-	-	-	-	-	110,211
Supplies	-	-	-	-	-	6,951
Other services and charges	-	-	-	-	-	80,479
Debt service - principal and interest	-	38,450	-	12,800	-	84,605
Capital outlay	-	-	-	-	-	9,998
Utility operating expenses	-	-	-	-	-	182,157
Other disbursements	3,256	-	-	-	-	151,516
Total disbursements	<u>3,256</u>	<u>38,450</u>	<u>-</u>	<u>12,800</u>	<u>-</u>	<u>625,917</u>
Excess (deficiency) of receipts over disbursements	<u>(2,056)</u>	<u>85</u>	<u>-</u>	<u>40</u>	<u>2,520</u>	<u>(7,428)</u>
Cash and investments - ending	<u>\$ 4,169</u>	<u>\$ 10,055</u>	<u>\$ 50</u>	<u>\$ 3,196</u>	<u>\$ 52,632</u>	<u>\$ 476,549</u>

TOWN OF ROSEDALE
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Water:			
Revenue bonds	Revenue Bond 2000	\$ 120,000	\$ 12,500
Revenue bonds	Revenue Bond 2007	123,000	9,721
Revenue bonds	Revenue Bond 2008	<u>164,000</u>	<u>28,555</u>
Total Water		<u>407,000</u>	<u>50,776</u>
Wastewater:			
Revenue bonds	Revenue Bond 1994	245,000	7,930
Loan	Lift Station Repair	<u>3,152</u>	<u>3,178</u>
Total Wastewater		<u>248,152</u>	<u>11,108</u>
Totals		<u>\$ 655,152</u>	<u>\$ 61,884</u>

TOWN OF ROSEDALE
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,500
Buildings	377,970
Machinery, equipment, and vehicles	282,322
Total governmental activities	661,792
Wastewater:	
Buildings	266,596
Improvements other than buildings	203,963
Machinery, equipment, and vehicles	556,959
Total Wastewater	1,027,518
Water:	
Improvements other than buildings	950,866
Machinery, equipment, and vehicles	299,695
Total Water	1,250,561
Total capital assets	\$ 2,939,871

TOWN OF ROSEDALE
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of various funds. The Town has not established the Riverboat Fund. The Riverboat Fund distributions were posted to the General Fund.

Also, many deposits were not posted to the unit's records in a timely manner. The Clerk-Treasurer made year-end adjustments to the records to account for the deposits not posted timely.

Some of the deficiencies include:

1. Posting errors.
2. Checks and receipts not recorded in the proper amounts.
3. Interest not posted.
4. Nonsufficient funds checks incorrectly posted.
5. Transactions recorded as "negative" receipts and disbursements.
6. The 2011 records were not closed out properly resulting in the overstatement of receipts and disbursements in the 2011 Annual Report.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations did not balance. Many reconciling items were listed on each month's bank reconciliation. The Clerk-Treasurer did not make the necessary adjustments for the reconciling items in a timely manner. As of December 31, 2012, the total of all four bank account reconciliations identified cash short in the amount of \$958.34. Individually, the Town bank account was short \$851.53, the Payroll bank account was long \$631.86, the Water Utility bank account was short \$310.90, and the Wastewater Utility bank account was short \$427.77.

TOWN OF ROSEDALE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

ANNUAL REPORTS

The Annual Reports for the years 2010, 2011, and 2012 contained a number of errors and did not properly reflect the financial activity of the Town of Rosedale. Several funds' financial statement receipts and disbursements for 2011 did not agree with the Town's records. The 2011 records were not properly closed out resulting in January 2012 activity shown on the 2011 Annual Report.

The Annual Reports for 2010, 2011, and 2012 did not include the financial assistance to non-governmental entities section.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

TOWN OF ROSEDALE
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2013, with C. Adrienne Robinson, Clerk-Treasurer, and John W. McMullen, President of the Town Council. The officials concurred with our findings.