

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF ROACHDALE

PUTNAM COUNTY, INDIANA

January 1, 2013 to December 31, 2013



**FILED**  
04/25/2017



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis .....	6
Notes to Financial Statement .....	7-11
Other Information - Unexamined:	
Combining Schedule of Receipts, Disbursements, and Cash and	
Investment Balances - Regulatory Basis .....	14-17
Schedule of Leases and Debt .....	18
Other Reports.....	19

#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Martha Louk Debbie Sillery	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Town Council	Jackie R. Jones Barbara Scott J. Zachary Bowers	01-01-13 to 12-31-13 01-01-14 to 12-31-15 01-01-16 to 12-31-17



**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](http://www.in.gov/sboa)

**INDEPENDENT ACCOUNTANT'S REPORT**

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

We have examined the accompanying financial statement of the Town of Roachdale (Town), for the period of January 1, 2013 to December 31, 2013. The Town's management is responsible for the financial statement. 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 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 to the financial statement, the Town prepares its financial statement 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 statement 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 statement referred to above does not present, 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, 2013 to December 31, 2013.

In our opinion, the financial statement referred to above presents, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2013 to December 31, 2013, based on the prescribed basis of accounting described in Note 1.

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

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

April 7, 2017

(This page intentionally left blank.)

#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

TOWN OF ROACHDALE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General Fund Checking	\$ 386,481	\$ 266,909	\$ 296,629	\$ 356,761
Mvh Operating	177,865	44,276	82,696	139,445
Lr&S Operating	36,783	3,482	-	40,265
Edit Fund Operating	292,498	24,388	71,325	245,561
Lece Operating Fund	4,833	4,771	1,255	8,349
Rainy Day Cagit	22,493	-	-	22,493
Ccd Checking	65,847	5,833	-	71,680
Cci Checking	34,995	1,182	-	36,177
Police Dog Donation Fund	-	2,950	-	2,950
Cjig Operating Fund	261	-	-	261
Rainy Day Fund Edit	13,504	-	-	13,504
Park Fund	2,154	25	-	2,179
Payroll Operating Cash Acct	43,481	297,508	288,699	52,290
Sewer Cash Operating	33,335	198,418	183,585	48,168
Sewage Savings 702013	66,722	134	-	66,856
Sewer Reserve/Debt 737682	45,746	92	-	45,838
Water Cash Operating	57,676	199,335	221,702	35,309
Water Meter Deposits	11,610	3,255	2,175	12,690
Gas O&M Reserve	200	19,804	-	20,004
Gas Debt Service Reserve	200	63,947	-	64,147
Gas USDA Loan	47	247,944	247,944	47
Gas Cash Operating	65,239	589,631	539,249	115,621
Gas Meter Deposits	9,779	9,103	7,043	11,839
Gas Savings	31,829	101	-	31,930
Gas Meter Deposit Savings	20,579	-	-	20,579
Stormwater	-	7,761	47	7,714
Totals	<u>\$ 1,424,157</u>	<u>\$ 1,990,849</u>	<u>\$ 1,942,349</u>	<u>\$ 1,472,657</u>

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



TOWN OF ROACHDALE  
NOTES TO FINANCIAL STATEMENT

**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), highways and streets, health and social services, culture and recreation, public improvements, general administrative services, water, wastewater, gas and, storm water.

The accompanying financial statement presents the financial information for the Town.

**B. Basis of Accounting**

The financial statement is 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 statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.

*Licenses and permits.* Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF ROACHDALE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

*Fines and forfeits.* Amounts received 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.* Amounts received from charges for current services.

*Other receipts.* Amounts received from various sources, including, but 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 statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for 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.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

TOWN OF ROACHDALE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Other disbursements.* Amounts disbursed for various other purposes including, but 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.

*F. Interfund Transfers*

The Town may, from time to time, make transfers 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 amounts 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 amounts 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.

TOWN OF ROACHDALE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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, the following: 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 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.

**Note 6. *Pension Plan***

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

TOWN OF ROACHDALE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

**Note 7. Subsequent Events**

On September 26, 2013, the Town of Roachdale received a \$500,000 federal award for the improvement of the Town's water system. The total cost of the project is estimated to be \$771,550. At December 31, 2013, the work on the project had not started.

On December 15, 2015, the Town of Roachdale received a \$450,000 federal award for the improvement of the Town's wastewater system. The total cost of the project is estimated to be \$565,000.

On April 28, 2016, the Town of Roachdale received a \$1,000,000 federal award for the improvement of the Town's stormwater system. The total cost of the project is estimated to be \$1,120,000.

(This page intentionally left blank.)

#### OTHER INFORMATION - UNEXAMINED

The Town's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Town's Annual Financial Report 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 other information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF ROACHDALE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013

	General Fund Checking	Mvh Operating	Lr&S Operating	Edit Fund Operating	Lece Operating Fund	Rainy Day Cagit	Ccd Checking
Cash and investments - beginning	\$ 386,481	\$ 177,865	\$ 36,783	\$ 292,498	\$ 4,833	\$ 22,493	\$ 65,847
Receipts:							
Taxes	157,613	20,064	-	24,388	-	-	5,704
Licenses and permits	382	-	-	-	810	-	-
Intergovernmental receipts	93,851	24,093	3,482	-	-	-	129
Fines and forfeits	1,550	-	-	-	3,961	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	13,513	119	-	-	-	-	-
Total receipts	266,909	44,276	3,482	24,388	4,771	-	5,833
Disbursements:							
Personal services	108,250	-	-	-	-	-	-
Supplies	24,779	-	-	-	1,255	-	-
Other services and charges	87,843	10,477	-	71,325	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	65,741	72,219	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,016	-	-	-	-	-	-
Total disbursements	296,629	82,696	-	71,325	1,255	-	-
Excess (deficiency) of receipts over disbursements	(29,720)	(38,420)	3,482	(46,937)	3,516	-	5,833
Cash and investments - ending	\$ 356,761	\$ 139,445	\$ 40,265	\$ 245,561	\$ 8,349	\$ 22,493	\$ 71,680



TOWN OF ROACHDALE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Cci Checking	Police Dog Donation Fund	Cjig Operating Fund	Rainy Day Fund Edit	Park Fund	Payroll Operating Cash Acct	Sewer Cash Operating
Cash and investments - beginning	\$ 34,995	\$ -	\$ 261	\$ 13,504	\$ 2,154	\$ 43,481	\$ 33,335
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	1,182	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	197,073
Other receipts	-	2,950	-	-	25	297,508	1,345
Total receipts	<u>1,182</u>	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>297,508</u>	<u>198,418</u>
Disbursements:							
Personal services	-	-	-	-	-	-	61,719
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	6,519
Debt service - principal and interest	-	-	-	-	-	-	43,838
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	48,914
Other disbursements	-	-	-	-	-	288,699	22,595
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,699</u>	<u>183,585</u>
Excess (deficiency) of receipts over disbursements	<u>1,182</u>	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>8,809</u>	<u>14,833</u>
Cash and investments - ending	<u>\$ 36,177</u>	<u>\$ 2,950</u>	<u>\$ 261</u>	<u>\$ 13,504</u>	<u>\$ 2,179</u>	<u>\$ 52,290</u>	<u>\$ 48,168</u>

TOWN OF ROACHDALE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Sewage Savings 702013	Sewer Reserve/Debt 737682	Water Cash Operating	Water Meter Deposits	Gas O&M Reserve	Gas Debt Service Reserve	Gas USDA Loan
Cash and investments - beginning	\$ 66,722	\$ 45,746	\$ 57,676	\$ 11,610	\$ 200	\$ 200	\$ 47
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	144,276	-	-	-	-
Other receipts	134	92	55,059	3,255	19,804	63,947	247,944
Total receipts	134	92	199,335	3,255	19,804	63,947	247,944
Disbursements:							
Personal services	-	-	56,883	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	6,313	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	75,604	-	-	-	-
Other disbursements	-	-	82,902	2,175	-	-	247,944
Total disbursements	-	-	221,702	2,175	-	-	247,944
Excess (deficiency) of receipts over disbursements	134	92	(22,367)	1,080	19,804	63,947	-
Cash and investments - ending	\$ 66,856	\$ 45,838	\$ 35,309	\$ 12,690	\$ 20,004	\$ 64,147	\$ 47

TOWN OF ROACHDALE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Gas Cash Operating	Gas Meter Deposits	Gas Savings	Gas Meter Deposit Savings	Stormwater	Totals
Cash and investments - beginning	\$ 65,239	\$ 9,779	\$ 31,829	\$ 20,579	\$ -	\$ 1,424,157
Receipts:						
Taxes	-	-	-	-	-	207,769
Licenses and permits	-	-	-	-	-	1,192
Intergovernmental receipts	-	-	-	-	-	122,737
Fines and forfeits	-	-	-	-	-	5,511
Utility fees	537,387	-	-	-	-	878,736
Other receipts	52,244	9,103	101	-	7,761	774,904
Total receipts	589,631	9,103	101	-	7,761	1,990,849
Disbursements:						
Personal services	-	-	-	-	-	226,852
Supplies	-	-	-	-	-	26,034
Other services and charges	-	-	-	-	-	182,477
Debt service - principal and interest	43,330	-	-	-	-	87,168
Capital outlay	-	-	-	-	-	137,960
Utility operating expenses	315,853	-	-	-	-	440,371
Other disbursements	180,066	7,043	-	-	47	841,487
Total disbursements	539,249	7,043	-	-	47	1,942,349
Excess (deficiency) of receipts over disbursements	50,382	2,060	101	-	7,714	48,500
Cash and investments - ending	\$ 115,621	\$ 11,839	\$ 31,930	\$ 20,579	\$ 7,714	\$ 1,472,657

TOWN OF ROACHDALE  
SCHEDULE OF LEASES AND DEBT  
For the Year Ended December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Business-type Activities:			
Wastewater:			
Revenue bonds	Wastewater improvements	\$ 157,000	\$ 42,553
Gas:			
Revenue bonds	Replace gas system	1,098,000	50,822
Revenue bonds	Replace gas system	523,000	24,533
Total Gas		1,621,000	75,355
Totals		\$ 1,778,000	\$ 117,908

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Town. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.