

B42910

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF EDGEWOOD

MADISON COUNTY, INDIANA

January 1, 2011 to December 31, 2012



**FILED**

10/21/2013



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	7
Notes to Financial Statement.....	8-11
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	14-19
Schedule of Payables and Receivables .....	21
Schedule of Leases and Debt .....	22
Schedule of Capital Assets.....	23
Examination Results and Comments:	
Overdrawn Cash Balances.....	24
Fund Sources and Uses .....	24
Law Enforcement Expenditures From Motor Vehicle Highway Fund.....	24
Exit Conference.....	25

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Katherine L. Tanner	01-01-08 to 12-31-15
President of the Town Council	Patricia A. Farran	01-01-11 to 12-31-13
Superintendent of Utilities	Owen L. Kirby	01-01-11 to 12-31-13



**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 EDGEWOOD, MADISON COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Edgewood (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the 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. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does 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, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 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 statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

September 24, 2013

(This page intentionally left blank.)

## FINANCIAL STATEMENT

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.

φ

(This page intentionally left blank.)

TOWN OF EDGEWOOD  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL FUND	\$ (98,050)	\$ 530,195	\$ 472,215	\$ (40,070)	\$ 500,846	\$ 535,136	\$ (74,360)
MVH	118,752	92,906	46,013	165,645	80,807	67,856	178,596
LOCAL ROADS & STREETS	22,816	18,302	25,410	15,708	18,299	-	34,007
LAW ENF. CONT. ED.	14,738	1,070	5,895	9,913	1,578	2,315	9,176
CLERK'S REC. PERP. FUND	4,650	3,118	5,306	2,462	2,954	4,449	967
CASINO FUND	155,942	97,819	223,018	30,743	90,731	126,141	(4,667)
COURT USER /DEFERRAL FEES	59,611	5,749	4,875	60,485	5,808	4,395	61,898
NON APPROPRIATED FUND	1,399	-	-	1,399	-	-	1,399
RAINY DAY FUND	11,070	-	-	11,070	-	-	11,070
LEVY EXCESS FUND	3,116	-	-	3,116	-	-	3,116
POLICE GRANT	1,372	8,334	8,330	1,376	5,329	5,566	1,139
RESTRICTED DONATION FUND	949	768	928	789	3,250	2,573	1,466
ENHANCEMENT FUND	6,467	-	-	6,467	-	-	6,467
CUM. CAP IMPROV.	34,200	5,709	-	39,909	5,074	15,871	29,112
PAYROLL FUND	1,118	507,768	507,936	950	530,400	530,360	990
RIVERBOAT FUND	28,370	13,521	6,932	34,959	12,627	45,413	2,173
LOIT/PUBLIC SAFETY FUND	6,372	19,673	3,716	22,329	22,430	26,156	18,603
SEWER OPERATING	438,684	925,461	921,510	442,635	864,174	911,675	395,134
WATER OPERATION	306,104	187,178	254,423	238,859	170,849	224,096	185,612
WATER METER DEPOSIT	71,104	2,850	1,936	72,018	3,850	1,920	73,948
WATER DEPRECIATION	232,713	23,957	5,059	251,611	24,973	2,233	274,351
WAT. MET. DEP. REFUND	379	1,936	1,062	1,253	1,920	1,473	1,700
TOWN COURT	183,060	511,062	510,872	183,250	503,802	487,005	200,047
Totals	<u>\$ 1,604,936</u>	<u>\$ 2,957,376</u>	<u>\$ 3,005,436</u>	<u>\$ 1,556,876</u>	<u>\$ 2,849,701</u>	<u>\$ 2,994,633</u>	<u>\$ 1,411,944</u>

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

TOWN OF EDGEWOOD  
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 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 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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 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.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses 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: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

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,

TOWN OF EDGEWOOD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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 statement. 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.

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 EDGEWOOD  
NOTES TO FINANCIAL STATEMENT  
(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 EDGEWOOD  
NOTES TO FINANCIAL STATEMENT  
(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.

**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 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 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  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*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. Cash Balance Deficits**

The financial statement contained two funds with deficits in cash balance. The General Fund had a negative cash balance of \$74,360, and the Casino Fund had a negative cash balance of \$4,667. This is a result of the method of accounting for local distributions and investment loss activity.

(This page intentionally left blank.)

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual 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 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 EDGEWOOD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	GENERAL FUND	MVH	LOCAL ROADS & STREETS	LAW ENF. CONT. ED.	CLERK'S REC. PERP. FUND	CASINO FUND	COURT USER /DEFERRAL FEES	NON APPROPRIATED FUND
Cash and investments - beginning	\$ (98,050)	\$ 118,752	\$ 22,816	\$ 14,738	\$ 4,650	\$ 155,942	\$ 59,611	\$ 1,399
Receipts:								
Taxes	275,085	-	-	-	-	-	-	-
Licenses and permits	4,805	-	-	559	-	-	-	-
Intergovernmental	168,384	92,906	18,302	-	-	97,819	-	-
Charges for services	-	-	-	511	-	-	-	-
Fines and forfeits	16,886	-	-	-	3,118	-	5,749	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	65,035	-	-	-	-	-	-	-
Total receipts	<u>530,195</u>	<u>92,906</u>	<u>18,302</u>	<u>1,070</u>	<u>3,118</u>	<u>97,819</u>	<u>5,749</u>	<u>-</u>
Disbursements:								
Personal services	302,035	25,859	-	-	-	68,807	-	-
Supplies	18,392	1,621	-	-	440	9,580	-	-
Other services and charges	97,728	7,273	25,410	5,895	4,866	144,631	4,875	-
Capital outlay	51,560	11,260	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	2,500	-	-	-	-	-	-	-
Total disbursements	<u>472,215</u>	<u>46,013</u>	<u>25,410</u>	<u>5,895</u>	<u>5,306</u>	<u>223,018</u>	<u>4,875</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>57,980</u>	<u>46,893</u>	<u>(7,108)</u>	<u>(4,825)</u>	<u>(2,188)</u>	<u>(125,199)</u>	<u>874</u>	<u>-</u>
Cash and investments - ending	<u>\$ (40,070)</u>	<u>\$ 165,645</u>	<u>\$ 15,708</u>	<u>\$ 9,913</u>	<u>\$ 2,462</u>	<u>\$ 30,743</u>	<u>\$ 60,485</u>	<u>\$ 1,399</u>

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

	RAINY DAY FUND	LEVY EXCESS FUND	POLICE GRANT	RESTRICTED DONATION FUND	ENHANCEMENT FUND	CUM. CAP IMPROV.	PAYROLL FUND	RIVERBOAT FUND
Cash and investments - beginning	\$ 11,070	\$ 3,116	\$ 1,372	\$ 949	\$ 6,467	\$ 34,200	\$ 1,118	\$ 28,370
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	8,334	-	-	5,709	-	13,521
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	768	-	-	507,768	-
Total receipts	-	-	8,334	768	-	5,709	507,768	13,521
Disbursements:								
Personal services	-	-	-	-	-	-	507,936	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	8,330	928	-	-	-	306
Capital outlay	-	-	-	-	-	-	-	6,626
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,330	928	-	-	507,936	6,932
Excess (deficiency) of receipts over disbursements	-	-	4	(160)	-	5,709	(168)	6,589
Cash and investments - ending	\$ 11,070	\$ 3,116	\$ 1,376	\$ 789	\$ 6,467	\$ 39,909	\$ 950	\$ 34,959

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

	LOIT/PUBLIC SAFETY FUND	SEWER OPERATING	WATER OPERATION	WATER METER DEPOSIT	WATER DEPRECIATION	WAT. MET. DEP. REFUND	TOWN COURT	TOTALS
Cash and investments - beginning	\$ 6,372	\$ 438,684	\$ 306,104	\$ 71,104	\$ 232,713	\$ 379	\$ 183,060	\$ 1,604,936
Receipts:								
Taxes	-	-	-	-	-	-	-	275,085
Licenses and permits	-	-	-	-	-	-	-	5,364
Intergovernmental	19,673	-	-	-	-	-	-	424,648
Charges for services	-	-	-	-	-	-	-	511
Fines and forfeits	-	-	-	-	-	-	511,062	536,815
Utility fees	-	913,627	187,178	2,850	-	1,936	-	1,105,591
Penalties	-	11,018	-	-	-	-	-	11,018
Other receipts	-	816	-	-	23,957	-	-	598,344
Total receipts	19,673	925,461	187,178	2,850	23,957	1,936	511,062	2,957,376
Disbursements:								
Personal services	-	-	-	-	-	-	-	904,637
Supplies	-	-	-	-	-	-	-	30,033
Other services and charges	3,716	-	-	-	-	-	510,872	814,830
Capital outlay	-	-	-	-	-	-	-	69,446
Utility operating expenses	-	913,909	184,917	1,936	-	-	-	1,100,762
Other disbursements	-	7,601	69,506	-	5,059	1,062	-	85,728
Total disbursements	3,716	921,510	254,423	1,936	5,059	1,062	510,872	3,005,436
Excess (deficiency) of receipts over disbursements	15,957	3,951	(67,245)	914	18,898	874	190	(48,060)
Cash and investments - ending	\$ 22,329	\$ 442,635	\$ 238,859	\$ 72,018	\$ 251,611	\$ 1,253	\$ 183,250	\$ 1,556,876

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

	GENERAL FUND	MVH	LOCAL ROADS & STREETS	LAW ENF. CONT. ED.	CLERK'S REC. PERP. FUND	CASINO FUND	COURT USER /DEFERRAL FEES	NON APPROPRIATED FUND
Cash and investments - beginning	\$ (40,070)	\$ 165,645	\$ 15,708	\$ 9,913	\$ 2,462	\$ 30,743	\$ 60,485	\$ 1,399
Receipts:								
Taxes	228,535	-	-	-	-	-	-	-
Licenses and permits	4,118	-	-	989	-	-	-	-
Intergovernmental	129,539	80,807	18,299	-	-	90,731	-	-
Charges for services	-	-	-	589	-	-	-	-
Fines and forfeits	80,964	-	-	-	2,954	-	5,808	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	57,690	-	-	-	-	-	-	-
Total receipts	<u>500,846</u>	<u>80,807</u>	<u>18,299</u>	<u>1,578</u>	<u>2,954</u>	<u>90,731</u>	<u>5,808</u>	<u>-</u>
Disbursements:								
Personal services	344,562	25,049	-	-	-	-	-	-
Supplies	21,933	17,578	-	-	540	1,338	-	-
Other services and charges	124,150	4,675	-	2,315	3,909	124,803	4,395	-
Capital outlay	42,205	20,554	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	2,286	-	-	-	-	-	-	-
Total disbursements	<u>535,136</u>	<u>67,856</u>	<u>-</u>	<u>2,315</u>	<u>4,449</u>	<u>126,141</u>	<u>4,395</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(34,290)</u>	<u>12,951</u>	<u>18,299</u>	<u>(737)</u>	<u>(1,495)</u>	<u>(35,410)</u>	<u>1,413</u>	<u>-</u>
Cash and investments - ending	<u>\$ (74,360)</u>	<u>\$ 178,596</u>	<u>\$ 34,007</u>	<u>\$ 9,176</u>	<u>\$ 967</u>	<u>\$ (4,667)</u>	<u>\$ 61,898</u>	<u>\$ 1,399</u>

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

	RAINY DAY FUND	LEVY EXCESS FUND	POLICE GRANT	RESTRICTED DONATION FUND	ENHANCEMENT FUND	CUM. CAP IMPROV.	PAYROLL FUND	RIVERBOAT FUND
Cash and investments - beginning	\$ 11,070	\$ 3,116	\$ 1,376	\$ 789	\$ 6,467	\$ 39,909	\$ 950	\$ 34,959
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,074	-	12,627
Charges for services	-	-	5,329	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	3,250	-	-	530,400	-
Total receipts	-	-	5,329	3,250	-	5,074	530,400	12,627
Disbursements:								
Personal services	-	-	-	-	-	-	530,360	-
Supplies	-	-	-	-	-	-	-	2,654
Other services and charges	-	-	5,566	2,573	-	-	-	21,104
Capital outlay	-	-	-	-	-	15,871	-	21,655
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	5,566	2,573	-	15,871	530,360	45,413
Excess (deficiency) of receipts over disbursements	-	-	(237)	677	-	(10,797)	40	(32,786)
Cash and investments - ending	\$ 11,070	\$ 3,116	\$ 1,139	\$ 1,466	\$ 6,467	\$ 29,112	\$ 990	\$ 2,173

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

	LOIT/PUBLIC SAFETY FUND	SEWER OPERATING	WATER OPERATION	WATER METER DEPOSIT	WATER DEPRECIATION	WAT. MET. DEP. REFUND	TOWN COURT	TOTALS
Cash and investments - beginning	\$ 22,329	\$ 442,635	\$ 238,859	\$ 72,018	\$ 251,611	\$ 1,253	\$ 183,250	\$ 1,556,876
Receipts:								
Taxes	-	-	-	-	-	-	-	228,535
Licenses and permits	-	-	-	-	-	-	-	5,107
Intergovernmental	22,430	-	-	-	-	-	-	359,507
Charges for services	-	-	-	-	-	-	-	5,918
Fines and forfeits	-	-	-	-	-	-	503,802	593,528
Utility fees	-	841,578	167,625	3,850	-	1,920	-	1,014,973
Penalties	-	17,909	-	-	-	-	-	17,909
Other receipts	-	4,687	3,224	-	24,973	-	-	624,224
Total receipts	<u>22,430</u>	<u>864,174</u>	<u>170,849</u>	<u>3,850</u>	<u>24,973</u>	<u>1,920</u>	<u>503,802</u>	<u>2,849,701</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	899,971
Supplies	-	-	-	-	-	-	-	44,043
Other services and charges	26,156	-	-	-	-	-	487,005	806,651
Capital outlay	-	-	-	-	-	-	-	100,285
Utility operating expenses	-	902,386	194,469	1,920	-	-	-	1,098,775
Other disbursements	-	9,289	29,627	-	2,233	1,473	-	44,908
Total disbursements	<u>26,156</u>	<u>911,675</u>	<u>224,096</u>	<u>1,920</u>	<u>2,233</u>	<u>1,473</u>	<u>487,005</u>	<u>2,994,633</u>
Excess (deficiency) of receipts over disbursements	<u>(3,726)</u>	<u>(47,501)</u>	<u>(53,247)</u>	<u>1,930</u>	<u>22,740</u>	<u>447</u>	<u>16,797</u>	<u>(144,932)</u>
Cash and investments - ending	<u>\$ 18,603</u>	<u>\$ 395,134</u>	<u>\$ 185,612</u>	<u>\$ 73,948</u>	<u>\$ 274,351</u>	<u>\$ 1,700</u>	<u>\$ 200,047</u>	<u>\$ 1,411,944</u>

(This page intentionally left blank.)

TOWN OF EDGEWOOD  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ -	\$ 44,046
Water	-	3,667
Governmental activities	-	80
Totals	\$ -	\$ 47,793

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Old National Bank	Firetruck	\$ <u>13,620</u>	03-01-10	09-01-14
Total of annual lease payments		\$ <u><u>13,620</u></u>		

TOWN OF EDGEWOOD  
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	\$ 79,197
Infrastructure	1,111,379
Buildings	348,181
Improvements other than buildings	253,576
Machinery, equipment, and vehicles	545,680
Total governmental activities	2,338,013
Wastewater:	
Infrastructure	1,848,212
Buildings	38,524
Improvements other than buildings	6,420
Machinery, equipment, and vehicles	320,088
Total Wastewater	2,213,244
Water:	
Infrastructure	1,011,504
Buildings	245,810
Improvements other than buildings	56,797
Machinery, equipment, and vehicles	106,576
Total Water	1,420,687
Total capital assets	\$ 5,971,944

TOWN OF EDGEWOOD  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The financial statement presented in this report included the following funds with overdrawn cash balances at December 31, 2012:

<u>Fund</u>	<u>Amount Overdrawn</u>
General Fund	\$ 74,360
Casino Fund	4,667

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**FUND SOURCES AND USES**

Wheel Tax Distributions totaling \$22,811 were incorrectly receipted to the General Fund. These Wheel Tax Distributions should have been receipted to the Motor Vehicle Highway Fund. A similar comment appeared in the prior Report B39372.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**LAW ENFORCEMENT EXPENDITURES FROM MOTOR VEHICLE HIGHWAY FUND**

Law enforcement disbursements from the Motor Vehicle Highway Fund exceeded the allowable percentage in 2011 and 2012. The percentages spent on law enforcement purposes were 25.33 percent and 24.99 percent, respectively. A similar comment appeared in the prior Report B39372.

Motor Vehicle Highway distributions may be spent on law enforcement purposes subject to limitations. Indiana Code 8-14-1-5(b)(1) states: "For cities and towns with a population of less than five thousand (5,000), no more than fifteen percent (15%) may be spent for law enforcement purposes."

TOWN OF EDGEWOOD  
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2013, with Katherine L. Tanner, Clerk-Treasurer, and Patricia A. Farran, President of the Town Council.