

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

EXAMINATION REPORT
OF
TOWN OF NEW MARKET
MONTGOMERY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
06/27/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy Fisher	01-01-04 to 12-31-07
President of the Town Council	Larry Gentry	01-01-05 to 12-31-07
Superintendent of Utilities	Dennis Gentry	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW MARKET, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Market (Town), for the period of January 1, 2005 to December 31, 2006. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 31, 2007

TOWN OF NEW MARKET
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments		Cash and Investments	
	01-01-05	Receipts	Disbursements	12-31-05
Governmental Funds:				
General	\$ 91,337	\$ 47,587	\$ 56,132	\$ 82,792
Motor Vehicle Highway	40,888	22,447	28,300	35,035
Local Road and Street	4,565	2,923	-	7,488
Law Enforcement Continuing Education	487	196	-	683
Riverboat	8,323	4,155	-	12,478
Cumulative Capital Improvement	29,198	2,037	-	31,235
Cumulative Capital Development	34,135	1,655	-	35,790
Proprietary Funds:				
Water Utility - Operating	76,603	107,281	83,356	100,528
Water Utility - Bond and Interest	16,510	36,000	36,415	16,095
Water Utility - Cash Reserve	80,908	486	-	81,394
Water Utility - Customer Deposit	10,070	1,160	936	10,294
Water Utility - Debt Service Reserve	45,000	1,058	-	46,058
Wastewater Utility - Operating	132,100	68,496	66,097	134,499
Wastewater Utility - Cash Reserve	50,494	10,940	-	61,434
Wastewater Utility - Depreciation	91,415	10,942	-	102,357
Wastewater Utility - Storm Water	18,327	-	8,636	9,691
Fiduciary Fund:				
Payroll	-	41,844	41,844	-
Totals	\$ 730,360	\$ 359,207	\$ 321,716	\$ 767,851

	Cash and Investments		Cash and Investments	
	01-01-06	Receipts	Disbursements	12-31-06
Governmental Funds:				
General	\$ 82,792	\$ 100,628	\$ 59,455	\$ 123,965
Motor Vehicle Highway	35,035	26,477	-	61,512
Local Road and Street	7,488	2,859	-	10,347
Law Enforcement Continuing Education	683	657	-	1,340
Riverboat	12,478	4,147	-	16,625
Cumulative Capital Improvement	31,235	2,354	-	33,589
Cumulative Capital Development	35,790	4,385	67	40,108
Levy Excess	-	1,230	-	1,230
Proprietary Funds:				
Water Utility - Operating	100,528	101,988	93,633	108,883
Water Utility - Bond and Interest	16,095	36,000	35,715	16,380
Water Utility - Cash Reserve	81,394	1,326	-	82,720
Water Utility - Customer Deposit	10,294	1,500	718	11,076
Water Utility - Debt Service Reserve	46,058	1,681	-	47,739
Wastewater Utility - Operating	134,499	69,192	73,005	130,686
Wastewater Utility - Cash Reserve	61,434	11,658	-	73,092
Wastewater Utility - Depreciation	102,357	11,903	-	114,260
Wastewater Utility - Storm Water	9,691	10,800	3,116	17,375
Fiduciary Funds:				
Other	-	60	-	60
Payroll	-	42,096	42,096	-
Totals	\$ 767,851	\$ 430,941	\$ 307,805	\$ 890,987

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

TOWN OF NEW MARKET
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, general administrative services, water and wastewater.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF NEW MARKET
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2007, with Nancy Fisher, Clerk-Treasurer; and Stephen M. Selby, Town Accountant. Our examination disclosed no material items that warrant comment at this time.