

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

EXAMINATION REPORT
OF
TOWN OF MT. AUBURN
WAYNE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
08/23/2007

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Kimberly Owens
Misty Choate

01-01-05 to 03-31-05
04-01-05 to 12-31-07

President of the
Town Council

Thomas H. Lee
John Heflin

01-01-05 to 12-31-06
01-01-07 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 MT. AUBURN, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Mt. Auburn (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

July 2, 2007

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

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 4,338	\$ 18,944	\$ 18,710	\$ 4,572
Motor Vehicle Highway	23,102	1,947	700	24,349
Local Road and Street	30,320	629	7,800	23,149
Riverboat	473	473	-	946
Rainy Day	725	-	-	725
Cumulative Capital Improvement	6,265	121	-	6,386
Economic Development Income Tax	10,847	626	-	11,473
Fiduciary Fund:				
Levy Excess	489	-	-	489
Totals	<u>\$ 76,559</u>	<u>\$ 22,740</u>	<u>\$ 27,210</u>	<u>\$ 72,089</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 4,572	\$ 11,664	\$ 18,376	\$ (2,140)
Motor Vehicle Highway	24,349	3,036	8,819	18,566
Local Road and Street	23,149	897	-	24,046
Riverboat	946	472	-	1,418
Rainy Day	725	-	-	725
Cumulative Capital Improvement	6,386	264	-	6,650
Economic Development Income Tax	11,473	2,072	-	13,545
Fiduciary Fund:				
Levy Excess	489	-	-	489
Totals	<u>\$ 72,089</u>	<u>\$ 18,405</u>	<u>\$ 27,195</u>	<u>\$ 63,299</u>

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

TOWN OF MT. AUBURN
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, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

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 MT. AUBURN
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of employees was not filed with the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

CAPITAL ASSET RECORDS

The Town does not have a record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OVERDRAWN FUND BALANCE

The General Fund was overdrawn in 2006.

The fund balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MT. AUBURN
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Misty Choate, Clerk-Treasurer; and Thomas H. Lee, Town Council member. The officials concurred with our findings.