

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

EXAMINATION REPORT
OF
TOWN OF MILTON
WAYNE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/11/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Terry L. Craig

08-09-04 to 12-31-11

President of the Town Council

Woodrow W. Duffin, Jr.
Donna R. Powell

01-01-06 to 12-31-06
01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MILTON, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Milton (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 29, 2008

TOWN OF MILTON
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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 10,518	\$ 88,388	\$ 86,344	\$ 12,562
Motor Vehicle Highway	10	22,895	14,838	8,067
Local Road and Street	14,110	6,045	1,106	19,049
Cemetery	-	2,500	2,144	356
Law Enforcement Continuing Education	103	-	61	42
Rainy Day	5,979	-	-	5,979
Trash	3,926	35,980	37,047	2,859
Economic Development Income Tax	33,716	11,784	3,538	41,962
Cumulative Capital Improvement	2,814	2,182	-	4,996
Cumulative Capital Development	8,902	2,172	-	11,074
Cumulative Building and Fire Fighting Equipment	4,444	1,733	2,533	3,644
Proprietary Funds:				
Water Utility - Operating	(467)	62,785	62,294	24
Water Utility - Depreciation	24,286	516	2,500	22,302
Water Utility - Customer Deposit	600	275	325	550
Fiduciary Fund:				
Payroll	-	61,625	60,804	821
Totals	<u>\$ 108,941</u>	<u>\$ 298,880</u>	<u>\$ 273,534</u>	<u>\$ 134,287</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 12,562	\$ 87,108	\$ 88,263	\$ 11,407
Motor Vehicle Highway	8,067	22,421	18,919	11,569
Local Road and Street	19,049	5,984	5,167	19,866
Cemetery	356	7,500	3,099	4,757
Park and Recreation	-	1,597	200	1,397
Law Enforcement Continuing Education	42	30	-	72
Rainy Day	5,979	11,460	-	17,439
Trash	2,859	38,113	38,887	2,085
Economic Development Income Tax	41,962	11,286	8,869	44,379
Cumulative Capital Improvement	4,996	2,146	714	6,428
Cumulative Capital Development	11,074	1,359	1,312	11,121
Cumulative Building and Fire Fighting Equipment	3,644	2,041	482	5,203
Proprietary Funds:				
Water Utility - Operating	24	71,999	62,914	9,109
Water Utility - Depreciation	22,302	3,916	2,000	24,218
Water Utility - Customer Deposit	550	600	350	800
Fiduciary Fund:				
Payroll	821	79,509	80,330	-
Totals	<u>\$ 134,287</u>	<u>\$ 347,069</u>	<u>\$ 311,506</u>	<u>\$ 169,850</u>

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

TOWN OF MILTON
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 MILTON
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

TOWN OF MILTON
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Motor Vehicle Highway	2006	<u>\$ 3,991</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

UTILITY RECEIPTS TAX

The Water Utility did not pay Utility Receipts Tax to the Indiana Department of Revenue for 2006 or 2007.

Generally, retail receipts from all utility services consumed within Indiana are subject to the utility receipts tax regardless of the point of generation or transmission across state lines. Receipts from the provision of mobile telecommunication service are subject to utility receipts tax to the extent that the receipts are sourced to Indiana pursuant to IC 6-8.1-15. However, gross receipts received by a political subdivision for sewage and sewage service are not subject to the tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORT

An annual report for 2006 was not presented for examination. The annual report for 2007 was not published.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF MILTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The official bond for the Clerk-Treasurer was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

CAPITAL ASSET RECORDS

The Town maintains some capital asset records, but the list excludes at least one building and all other buildings are valued at current insurable value. Land also is valued at current value, not estimated or actual historical cost.

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)

TOWN OF MILTON
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2008, with Terry L. Craig, Clerk-Treasurer; and Donna R. Powell, President of the Town Council. The officials concurred with our findings.