

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

EXAMINATION REPORT  
OF  
TOWN OF NEW POINT  
DECATUR COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/31/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Viola Minning	01-01-04 to 12-31-11
President of the Town Council	Larry Byrd Clarence Carson	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 NEW POINT, DECATUR COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Point (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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 21, 2008

TOWN OF NEW POINT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Funds:				
General	\$ 13,104	\$ 81,560	\$ 64,956	\$ 29,708
Community Building Donation	5,622	21,165	16,561	10,226
Proprietary Funds:				
Wastewater Utility - Operating	23,336	150,204	141,417	32,123
Wastewater Utility - Bond and Interest	<u>49,311</u>	<u>26,222</u>	<u>9,920</u>	<u>65,613</u>
Totals	<u>\$ 91,373</u>	<u>\$ 279,151</u>	<u>\$ 232,854</u>	<u>\$ 137,670</u>

	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Funds:				
General	\$ 29,708	\$ 50,072	\$ 43,732	\$ 36,048
Community Building Donation	10,226	15,760	10,408	15,578
Proprietary Funds:				
Wastewater Utility - Operating	32,123	146,168	134,969	43,322
Wastewater Utility - Bond and Interest	<u>65,613</u>	<u>13,928</u>	<u>10,845</u>	<u>68,696</u>
Totals	<u>\$ 137,670</u>	<u>\$ 225,928</u>	<u>\$ 199,954</u>	<u>\$ 163,644</u>

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

TOWN OF NEW POINT  
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, highways and streets, culture and recreation, general administrative services, and wastewater 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 NEW POINT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Sewage Works Construction	\$ 127,000	\$ 10,620

TOWN OF NEW POINT  
EXAMINATION RESULT AND COMMENT

OMISSION OF FUNDS

As stated in the prior report, state distributions for Motor Vehicle Highway, Local Road and Street, Cumulative Capital Improvement, and Riverboat Revenue Sharing were receipted to the Town General Fund instead of a separate fund for each type of distribution.

Motor Vehicle Highway, Local Road and Street, Cumulative Capital Improvement, and Riverboat Revenue Sharing distributions should be receipted to a separate fund for each distribution type. (Accounting and Uniform Compliance guidelines Manual for Cities and Towns, Chapter 3)

Indiana Code 36-5-4-13 states in part:

"Except as provided in subsection (c), this subsection applies to a town with a population of five hundred (500) or less. Notwithstanding the provisions of any other statute, a town may transfer money from any town fund to another town fund after the passage of an ordinance or a resolution by the town legislative body specifying the:

- (1) amount of the transfer;
- (2) funds involved;
- (3) date of the transfer; and
- (4) general purpose of the transfer."

TOWN OF NEW POINT  
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2008, with Clarence Carson, President of the Town Council; and Viola Minning, Clerk-Treasurer.