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

EXAMINATION REPORT
OF
TOWN OF NEW ROSS
MONTGOMERY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
08/25/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Rebecca Lowe

01-01-08 to 12-31-11

President of the Town Council

Jerry Kinkead
John T. Rusk

01-01-08 to 06-30-10
07-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of New Ross (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

July 8, 2010

TOWN OF NEW ROSS
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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 60,610	\$ 59,673	\$ 47,208	\$ 73,075
Motor Vehicle Highway	21,123	13,448	12,626	21,945
Local Road and Street	10,314	1,747	-	12,061
Law Enforcement Continuing Education	392	86	40	438
Cumulative Capital Improvement	2,091	1,086	329	2,848
Cumulative Capital Development	9,453	2,385	-	11,838
Fire Truck	-	77,130	-	77,130
Proprietary Funds:				
Electric Utility - Operating	181,948	236,047	224,780	193,215
Electric Utility - Reserve	9,851	-	-	9,851
Electric Utility - Depreciation	14,877	-	3,719	11,158
Electric Utility - Customer Deposit	16,032	2,820	1,125	17,727
Wastewater Utility - Operating	126,860	83,069	94,643	115,286
Wastewater Utility - Reserve	19,010	4,087	-	23,097
Wastewater Utility - Sinking	20,508	40,866	39,410	21,964
Wastewater Utility - Improvement	18,832	4,088	-	22,920
Trash Service	-	19,045	14,710	4,335
Fiduciary Fund:				
Levy Excess	1,570	-	142	1,428
Totals	<u>\$ 513,471</u>	<u>\$ 545,577</u>	<u>\$ 438,732</u>	<u>\$ 620,316</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 73,075	\$ 44,380	\$ 50,194	\$ 67,261
Motor Vehicle Highway	21,945	12,719	11,482	23,182
Local Road and Street	12,061	1,668	4,968	8,761
Law Enforcement Continuing Education	438	-	-	438
Rainy Day	-	1,211	-	1,211
Cumulative Capital Improvement	2,848	1,024	-	3,872
Cumulative Capital Development	11,838	1,289	-	13,127
Fire Truck	77,130	140,670	217,794	6
Proprietary Funds:				
Electric Utility - Operating	193,215	236,598	232,025	197,788
Electric Utility - Reserve	9,851	-	-	9,851
Electric Utility - Depreciation	11,158	-	-	11,158
Electric Utility - Customer Deposit	17,727	2,200	1,891	18,036
Wastewater Utility - Operating	115,286	87,037	90,135	112,188
Wastewater Utility - Reserve	23,097	4,374	-	27,471
Wastewater Utility - Sinking	21,964	43,738	39,425	26,277
Wastewater Utility - Improvement	22,920	4,373	-	27,293
Trash Service	4,335	19,904	16,987	7,252
Fiduciary Fund:				
Levy Excess	1,428	-	-	1,428
Totals	<u>\$ 620,316</u>	<u>\$ 601,185</u>	<u>\$ 664,901</u>	<u>\$ 556,600</u>

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

TOWN OF NEW ROSS
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, light, wastewater 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.

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 ROSS
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 NEW ROSS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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:		
Wastewater Treatment Plant	\$ 637,900	\$ -

TOWN OF NEW ROSS
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Rebecca Lowe, Clerk-Treasurer Town of New Ross

IC 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. . . ."

CREDIT CARDS

The Town of New Ross used credit cards to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.

TOWN OF NEW ROSS
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT ACCOUNTS RECEIVABLE

Ordinance 2005-2 established the shut-off policy for delinquent customers. The Utility did not always shut off delinquent customers as required by the ordinance.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NEW ROSS
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2010, with Rebecca Lowe, Clerk-Treasurer. The official concurred with our findings.