

B37503

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

EXAMINATION REPORT  
OF  
TOWN OF NEW CARLISLE  
ST. JOSEPH COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
09/09/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cathy A. Keck Susan I. Moffitt	01-01-04 to 10-30-07 10-31-07 to 12-31-11
President of the Town Council	Steven J. Hora Carolyn Higgins	01-01-07 to 12-31-07 01-01-08 to 12-31-10
Public Works Director	Patrick Cummings	01-01-07 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 CARLISLE, ST. JOSEPH COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Carlisle (Town), for the period of January 1, 2007 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, 2007, 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 20, 2010

TOWN OF NEW CARLISLE  
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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 343,221	\$ 1,296,119	\$ 1,035,264	\$ 604,076
Motor Vehicle Highway	69,694	88,796	196,239	(37,749)
Local Road and Street	32,518	17,457	15,451	34,524
Law Enforcement Continuing Education	351	886	1,090	147
Riverboat	13,396	9,490	21,698	1,188
Cemetery	29,554	57,853	28,164	59,243
Community Service	255	-	-	255
Wal-Mart Foundation Grant	9	-	-	9
Park Non-reverting	1,504	1,357	50	2,811
Local Major Moves	189,368	10,220	100,000	99,588
Debt Service	83,778	38,520	7,679	114,619
General Obligation Bonds Construction	-	693,000	487,336	205,664
Cumulative Capital Improvement	30,056	5,286	30,000	5,342
Cumulative Capital Development	101,274	43,746	49,999	95,021
Cumulative Building and Fire Fighting Equipment	41,075	66,437	81,238	26,274
County Economic Development Income Tax	122,117	82,263	95,158	109,222
County Option Income Tax	-	8,439	-	8,439
Excavating Permit	4,695	-	-	4,695
Park Gift	1,140	-	-	1,140
Law Enforcement Gift	2,475	100	2,139	436
Refuse Removal	70,106	72,924	98,354	44,676
Ambulance Operating Fund	28,169	120,935	100,698	48,406
Ambulance Capital Fund	-	17,108	2	17,106
<b>Proprietary Funds:</b>				
Water Utility - Operating	177,623	1,550,163	1,392,876	334,910
Water Utility - Bond and Interest	170,859	116,216	184,535	102,540
Water Utility - Depreciation	119,687	26,977	78,089	68,575
Water Utility - Customer Deposit	13,134	1,900	1,450	13,584
Water Utility - Construction	9,519	-	-	9,519
Wastewater Utility - Operating	28,025	289,943	287,375	30,593
Wastewater Utility - Bond and Interest	37,054	12,460	86,939	(37,425)
Wastewater Utility - Debt Reserve	14,785	19,873	34,523	135
Wastewater Utility - Depreciation	65,525	233	10,065	55,693
Wastewater Utility - Construction	11,087	394,000	182,043	223,044
Electric Utility - Operating	33,782	668,132	994,718	(292,804)
Electric Utility - Bond and Interest	182	51,124	48,586	2,720
Electric Utility - Debt Reserve	36,100	-	-	36,100
Electric Utility - 2007 Bonds	-	591,000	36,252	554,748
Electric Utility - Depreciation	13,704	52,715	143,705	(77,286)
Electric Utility - Customer Deposit	45,980	9,510	7,505	47,985
Electric Utility - Revenue	-	1,019,406	731,507	287,899
Self-Insurance	97,178	182,525	100,355	179,348
<b>Fiduciary Funds:</b>				
Perpetual Care	112,459	2,020	-	114,479
Sidewalk Escrow	26,279	13,030	13,860	25,449
Payroll	14,988	338,203	333,275	19,916
<b>Totals</b>	<u>\$ 2,192,705</u>	<u>\$ 7,970,366</u>	<u>\$ 7,018,217</u>	<u>\$ 3,144,854</u>

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

TOWN OF NEW CARLISLE  
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, 2007, 2008, And 2009  
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 604,076	\$ 726,284	\$ 1,107,383	\$ 222,977
Motor Vehicle Highway	(37,749)	234,967	195,090	2,128
Local Road and Street	34,524	16,444	17,500	33,468
Law Enforcement Continuing Education	147	1,837	838	1,146
Riverboat	1,188	9,441	-	10,629
Rainy Day	-	32,030	-	32,030
Cemetery	59,243	17,297	29,282	47,258
Community Service	255	-	-	255
Wal-Mart Foundation Grant	9	-	-	9
Park Non-reverting	2,811	5,696	250	8,257
Major Moves	99,588	-	90,545	9,043
Debt Service	114,619	16,942	238,836	(107,275)
General Obligation Bonds Construction	205,664	-	204,303	1,361
Cumulative Capital Improvement	5,342	4,894	-	10,236
Cumulative Capital Development	95,021	10,315	-	105,336
Cumulative Building and Fire Fighting Equipment	26,274	6,473	1,932	30,815
County Economic Development Income Tax	109,222	68,491	-	177,713
County Option Income Tax	8,439	-	-	8,439
Excavating Permit	4,695	238	-	4,933
Park Gift	1,140	-	-	1,140
Law Enforcement Gift	436	100	174	362
Refuse Removal	44,676	71,009	109,074	6,611
Former C-T Reimbursement	-	78,789	78,789	-
Ambulance Operating Fund	48,406	138,807	141,269	45,944
Ambulance Capital Fund	17,106	-	-	17,106
<b>Proprietary Funds:</b>				
Water Utility - Operating	334,910	1,413,303	1,703,733	44,480
Water Utility - Bond and Interest	102,540	256,601	231,419	127,722
Water Utility - Depreciation	68,575	4,062	10,762	61,875
Water Utility - Customer Deposit	13,584	1,600	1,630	13,554
Water Utility - Construction	9,519	-	9,519	-
Wastewater Utility - Operating	30,593	410,950	441,484	59
Wastewater Utility - Bond and Interest	(37,425)	103,276	103,603	(37,752)
Wastewater Utility - Debt Reserve	135	2,194	-	2,329
Wastewater Utility - Depreciation	55,693	-	30,220	25,473
Wastewater Utility - Construction	223,044	4,000	97,308	129,736
Electric Utility - Operating	(292,804)	1,430,279	1,134,173	3,302
Electric Utility - Bond and Interest	2,720	83,931	84,346	2,305
Electric Utility - Debt Reserve	36,100	1,771	-	37,871
Electric Utility - 2007 Bonds	554,748	6,000	255,147	305,601
Electric Utility - Depreciation	(77,286)	26,000	37,493	(88,779)
Electric Utility - Customer Deposit	47,985	8,160	9,120	47,025
Electric Utility - Revenue	287,899	1,254,081	1,541,980	-
Self-Insurance	179,348	187,032	147,809	218,571
<b>Fiduciary Funds:</b>				
Perpetual Care	114,479	17,572	-	132,051
Sidewalk Escrow	25,449	13,751	12,464	26,736
Payroll	19,916	339,495	349,752	9,659
<b>Totals</b>	<u>\$ 3,144,854</u>	<u>\$ 7,004,112</u>	<u>\$ 8,417,227</u>	<u>\$ 1,731,739</u>

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

TOWN OF NEW CARLISLE  
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, 2007, 2008, And 2009  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 222,977	\$ 1,842,057	\$ 1,161,353	\$ 903,681
Motor Vehicle Highway	2,128	504,008	232,460	273,676
Local Road and Street	33,468	15,541	2,478	46,531
Law Enforcement Continuing Education	1,146	1,456	634	1,968
Riverboat	10,629	9,418	-	20,047
Rainy Day	32,030	12,771	-	44,801
Cemetery	47,258	93,114	35,258	105,114
Community Service	255	-	-	255
Wal-Mart Foundation Grant	9	-	-	9
Park Non-reverting	8,257	3,899	150	12,006
Major Moves	9,043	70,000	-	79,043
Debt Service	(107,275)	222,025	114,805	(55)
General Obligation Bonds Construction	1,361	-	-	1,361
Cumulative Capital Improvement	10,236	4,615	-	14,851
Cumulative Capital Development	105,336	65,316	-	170,652
Cumulative Building and Fire Fighting Equipment	30,815	44,085	-	74,900
County Economic Development Income Tax	177,713	70,181	-	247,894
County Option Income Tax	8,439	1,606	-	10,045
Public Safety Local Option Income Tax	-	51,999	-	51,999
Excavating Permit	4,933	125	-	5,058
Park Gift	1,140	500	-	1,640
Law Enforcement Gift	362	-	-	362
Refuse Removal	6,611	90,990	100,400	(2,799)
Ambulance Operating Fund	45,944	137,502	156,985	26,461
Ambulance Capital Fund	17,106	38,000	-	55,106
<b>Proprietary Funds:</b>				
Water Utility - Operating	44,480	1,914,507	1,915,873	43,114
Water Utility - Bond and Interest	127,722	712,953	668,165	172,510
Water Utility - Depreciation	61,875	34,913	58,385	38,403
Water Utility - Customer Deposit	13,554	2,470	1,986	14,038
Water Utility - Construction	-	-	-	-
Wastewater Utility - Operating	59	456,242	455,976	325
Wastewater Utility - Bond and Interest	(37,752)	127,246	103,330	(13,836)
Wastewater Utility - Debt Reserve	2,329	10,562	-	12,891
Wastewater Utility - Depreciation	25,473	-	-	25,473
Wastewater Utility - Construction	129,736	-	95,838	33,898
Electric Utility - Operating	3,302	1,135,001	1,124,924	13,379
Electric Utility - Bond and Interest	2,305	44,815	47,120	-
Electric Utility - Debt Reserve	37,871	1,771	-	39,642
Electric Utility - 2007 Bonds	305,601	-	235,278	70,323
Electric Utility - Depreciation	(88,779)	123,031	1,333	32,919
Electric Utility - Customer Deposit	47,025	9,690	7,810	48,905
Electric Utility - Revenue	-	1,296,683	1,296,683	-
Self-Insurance	218,571	180,228	164,418	234,381
<b>Fiduciary Funds:</b>				
Perpetual Care	132,051	4,325	-	136,376
Sidewalk Escrow	26,736	7,847	13,617	20,966
Payroll	9,659	343,933	344,480	9,112
<b>Totals</b>	<u>\$ 1,731,739</u>	<u>\$ 9,685,425</u>	<u>\$ 8,339,739</u>	<u>\$ 3,077,425</u>

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

TOWN OF NEW CARLISLE  
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.

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

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 CARLISLE  
 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
Governmental activities:		
Capital leases:		
2008 Police vehicles	\$ 24,610	\$ 13,235
2009 Police vehicles	<u>38,242</u>	<u>13,856</u>
Total Capital leases	<u>62,852</u>	<u>27,091</u>
Bonds payable:		
General obligation bonds:		
2007 Town hall renovations	<u>530,000</u>	<u>120,989</u>
Total governmental activities long-term debt	<u>\$ 592,852</u>	<u>\$ 148,080</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1980 Revenue Bonds	\$ 394,000	\$ 47,700
2000 Revenue Bonds	<u>645,000</u>	<u>80,643</u>
Total Water Utility	<u>1,039,000</u>	<u>128,343</u>
Wastewater Utility:		
Revenue bonds:		
2000 Revenue and Refunding Revenue Bonds	630,000	76,510
2007 Revenue Bonds	<u>400,000</u>	<u>18,800</u>
Total Wastewater Utility	<u>1,030,000</u>	<u>95,310</u>
Electric Utility:		
Revenue bonds:		
2007 Revenue Bonds	<u>565,000</u>	<u>46,040</u>
Total business-type activities long-term debt	<u>\$ 2,634,000</u>	<u>\$ 269,693</u>

TOWN OF NEW CARLISLE  
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

On December 20, 2008, \$15,167 of interest earned on the Water Bond and Interest investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TRANSACTION RECORDING

At December 31, 2009, the Town had two investments that were not entered in the records.

At December 31, 2009, the New Carlisle Area Ambulance Service had two bank accounts totaling \$94,124 that were not reflected in the Town's records.

Ordinance Number 1127, approved by the Town Council on May 11, 2004, established a non-appropriated Cumulative Reimbursement Ambulance Fund for the deposit of fees and charges received for use of the Ambulance Service and for the deposit of donations on a non-reverting basis.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties totaling \$6,824.30 were paid to the Internal Revenue Service on January 8, 2008, for failure to file forms W-2 for 2004.

Interest totaling \$9,487.21 was paid to the Indiana Department of Revenue on May 12, 2009, for failure to pay Utility Receipts Tax for 2004, 2005, 2006, and 2007.

We have requested the former Clerk-Treasurer, Cathy A. Keck, to reimburse the Town \$16,311.51 for penalties and interest assessed by federal and state agencies. (See Summary, page 17)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

TOWN OF NEW CARLISLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ORDINANCES AND RESOLUTIONS

On August 28, 2007, the Town Council adopted Ordinance Number 1176 establishing a rate increase for the New Carlisle Water Utility. The new water rates became effective on the first full billing after the adoption of Ordinance Number 1176 (October 2007). The results of our testing disclosed that the computerized billing system was not updated to reflect the new water rates adopted by the Town Council. The current rates used by the billing system are the old rates that were adopted by the Town Council on September 26, 2000. The effects on the water revenue for 2007, 2008, and 2009 cannot be determined.

On August 28, 2007, the Town Council adopted Ordinance Number 1174 establishing a rate increase for the New Carlisle Electric Utility. The new electric rates became effective on the first full billing after the adoption of Ordinance Number 1176 (October 2007). The results of our testing disclosed that the computerized billing system was not updated to reflect the new electric security lights rate adopted by the Town Council. The current rate used by the billing system for the security light is the old rate that was adopted by the Town Council on January 24, 1989.

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)

HYDRANT RENTAL AND STREET LIGHTING CHARGES

For the past three years the Town has been paying the hydrant rental based on the 2000 hydrant rental rate approved by the Town Council. In August 2007, the Town Council approved a Water Utility rate increase which included an increase in the hydrant rental fee. The payments made by Town did not reflect the new rate or an updated count of hydrants. As of December 31, 2009, the Town owed the Water Utility \$25,697 for the underpayment of hydrant rentals for 2007, 2008, and 2009.

Private hydrant rentals were not billed timely. Some of the private hydrant rental charges for 2007 were billed in 2008; further investigation revealed that not all of the private hydrant rentals from 2007, 2008, and 2009 were billed. As of July 7, 2010, there is a balance from private hydrant rentals in the amount of \$32,261.

For the past three years the Town has been paying the street lighting charged rental based on the 1989 street lighting rate approved by the Town Council. In August 2007, the Town Council approved an Electric Utility rate increase which included an increase in street lighting charge. The payments made by the Town did not reflect the new rate. As of December 31, 2009, the Town owed the Electric Utility \$11,541 for the underpayment of street lighting charges for 2007, 2008, and 2009.

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)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NEW CARLISLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn in 2007, 2008, and 2009:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Funds:			
Motor Vehicle Highway	\$ 37,749	\$ -	\$ -
Debt Service	-	107,275	55
Refuse Removal	-	-	2,799
Proprietary Funds:			
Wastewater Utility - Bond and Interest	37,425	37,752	13,836
Electric Utility - Operating	292,804	-	-
Electric Utility - Depreciation	77,286	88,779	-

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Cumulative Building and Fire Fighting Equipment	2007	\$ 41,238
Debt Service	2008	65,513

IC 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."

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

TOWN OF NEW CARLISLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

(A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;

(B) A description of the premises, as shown by the records of the county auditor; and

(C) The amount of the delinquent fees, together with the penalty; or

(2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May . . ."

CAPITAL ASSET RECORDS

The Town has not updated its list of capital assets within the past five years.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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)

INFORMATIONAL COMMENT - INSURANCE COVERAGE

The Town purchased an official bond for the Clerk-Treasurer's position with Cathy A. Keck listed as the principal. The bond was purchased from Employers Mutual Casualty Company for a coverage period January 1, 2004 through January 1, 2008. The amount of coverage for the bond is \$200,000.

TOWN OF NEW CARLISLE  
EXIT CONFERENCE

The contents of this report were discussed on July 15, 2010, with Susan I. Moffitt, Clerk-Treasurer; and Carolyn Higgins, President of the Council President. The official response has been made a part of this report and may be found on page 15.

The contents of this report were also discussed on July 20, 2010, with Cathy A. Keck, former Clerk-Treasurer. The official response has been made a part of this report and may be found on page 16.

**Town of New Carlisle  
Clerk-Treasurer**

**P.O. Box 6  
New Carlisle, Indiana 46552**

*Phone 574-654-3733 Fax 574-654-8876*

July 13, 2010

State Board of Accounts  
302 Washington Street, Room E418  
Indianapolis, Indiana 46204-2765

The purpose of this letter is to comment on the recent audit done for the Town of New Carlisle. I would like to note that the auditors were outstanding. They were professional, courteous and responsive to my many questions and concerns. This made it an excellent experience for me as a new clerk-treasurer and was truly appreciated.

I would like to note that the majority of issues in the audit report have been addressed and/or corrected, including hydrant rental and street lighting; all fund balances as well as delinquent wastewater accounts. New software has been obtained and installed to assist in the updating of Capital Asset Records.

I will continue to closely monitor any remaining issues as well as develop new procedures and policies to allow for better reporting.

Sincerely,

Susan I. Moffitt

July 20, 2010

On July 13, 2010 I was contacted by the State Board of Accts through email in reference to the audit for the Town of New Carlisle for the period of Jan 1, 2007 to Dec 31, 2009. I resigned as Clerk-Treas the end of Oct 2007. I would like to respond to two of the items listed.

Penalties, Interest and Other Charges:

I inquired about the forms W-2 for 2004. I was told part of the problem was that not all W-2's were filed. Trying to recall, I believe they print continuously with a perforation but when filed you do not separate them. Therefore it is hard to comprehend I didn't file all of them before being sent.

I take full responsibility on the filing Interest of the Utility Taxes.

At this time I have no money available to pay in full the \$16,311.51. The monies in my PERF is approx \$13,000.00 but will be lowered when I can request and receive a withdrawal. I did request to take the funds out in Dec 2007, sent the required form to the Town but was told they were unable to process as there has been no separation from employment.

On April 7, 2008 restitution was paid in full from a prior audit. I contacted the former Town Attorney by phone in reference to my PERF and was told the State Board of Accounts put a hold on the account. Approx September 2008, my husband asked (in passing on the streets) a Council member about my PERF and was told State Board of Accounts has a hold and there could be more monies owed to the Town on some kind of penalties and interest.

Shortly after my release from prison (March 2009), I contacted State Board of Accts in reference to the hold on my PERF. They informed me the SBOA never had a hold on my PERF account and later informed there could be monies due to the Town but wouldn't know the amount until the next audit. I contacted PERF and was told the Town of New Carlisle had a hold on the account and until the Town released the hold there was nothing I could do.

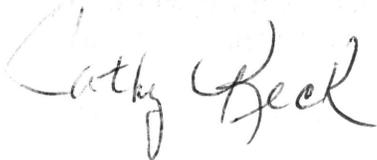
As of the above date of this letter, I have not received any correspondence from the Town since September 2008 when I received from my attorney a copy of a letter from the President of the Town Council in reference to my sentencing hearing, that included restitution has been made. This letter was greatly appreciated and heartfelt.

I understand the procedure should be full reimbursement at the Exit Conference. I am very sorry I have nothing available at this time.

My intentions are to pay the Town of New Carlisle with monies from my PERF. This will not be enough to pay in full. Since I am still serving the probationary part of my sentence, if deemed necessary, could the balance be paid over time.

I apologize for all the inconvenience I have caused.

Sincerely,



TOWN OF NEW CARLISLE  
SUMMARY

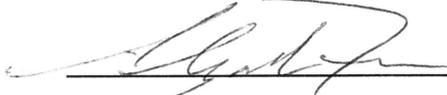
	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Cathy A. Keck, former Clerk-Treasurer: Penalties, Interest, and Other Charges, pages 10 and 11	<u>\$ 16,311.51</u>	<u>\$ -</u>	<u>\$ 16,311.51</u>

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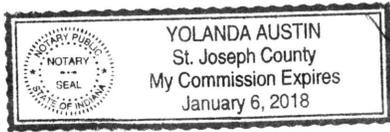
AFFIDAVIT

STATE OF INDIANA )  
St. Joseph COUNTY )

We, Alejandro Flores, Field Examiner, and Lisa Jackson, Field Examiner, being duly sworn on our oaths, state that the foregoing report based on the official records of the Town of New Carlisle, St. Joseph County, Indiana, for the period from January 1, 2007 to December 31, 2009, is true and correct to the best of our knowledge and belief.

  
\_\_\_\_\_  
  
\_\_\_\_\_  
Field Examiners

Subscribed and sworn to before me this 23 day of August, 2010



  
\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

County of Residence: St. Joseph