

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

EXAMINATION REPORT
OF
TOWN OF NAPOLEON
RIPLEY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/06/2011

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Karen Rohlfing

01-01-08 to 12-31-11

President of the
Town Council

Tim Brancamp

01-01-08 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 NAPOLEON, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Napoleon (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 Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule 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 7, 2010

TOWN OF NAPOLEON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Governmental Funds:				
General	\$ 16,243	\$ 24,966	\$ 22,533	\$ 18,676
Motor Vehicle Highway	13,925	6,411	9,950	10,386
Local Road and Street	2,591	1,196	2,423	1,364
Riverboat	85,656	36,894	13,902	108,648
Rainy Day	665	231	39	857
Economic Development Income Tax	8,286	1,429	2,777	6,938
Cumulative Capital Improvement	-	774	774	-
Sanitation	10,742	11,550	11,782	10,510
Municipal Building	40,000	-	650	39,350
Proprietary Funds:				
Wastewater Utility - Operating	54,058	41,036	44,478	50,616
Gas Utility - Operating	40,042	4,778	-	44,820
Fiduciary Fund:				
Payroll	703	17,762	17,762	703
Totals	<u>\$ 272,911</u>	<u>\$ 147,027</u>	<u>\$ 127,070</u>	<u>\$ 292,868</u>

	Cash and Investments		Cash and Investments	
	01-01-09	Receipts	Disbursements	12-31-09
Governmental Funds:				
General	\$ 18,676	\$ 21,100	\$ 24,248	\$ 15,528
Motor Vehicle Highway	10,386	6,283	4,430	12,239
Local Road and Street	1,364	1,140	430	2,074
Disaster 2 - Storm Sewer	-	37,500	12,489	25,011
Riverboat	108,648	23,374	3,935	128,087
Rainy Day	857	-	-	857
Economic Development Income Tax	6,938	1,549	2,211	6,276
Cumulative Capital Improvement	-	730	730	-
Sanitation	10,510	11,038	12,210	9,338
Municipal Building	39,350	-	434	38,916
Proprietary Funds:				
Wastewater Utility - Operating	50,616	40,723	36,216	55,123
Gas Utility - Operating	44,820	1,920	320	46,420
Fiduciary Fund:				
Payroll	703	17,762	17,762	703
Totals	<u>\$ 292,868</u>	<u>\$ 163,119</u>	<u>\$ 115,415</u>	<u>\$ 340,572</u>

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

TOWN OF NAPOLEON
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, wastewater, sanitation, public improvements, 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.

Note 6. Subsequent Event

The Town received approval in the year 2009 for a Community Development Block Grant under the Disaster Recovery Fund. The total amount of funds approved under grant number DR2-09-017 was \$972,525. The Town has received \$501,918 through August 26, 2010.

TOWN OF NAPOLEON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 394,029
Improvements other than buildings	61,160
Machinery and equipment	<u>9,640</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 464,829</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 1,265
Improvements other than buildings	<u>968,769</u>
Total business-type activities capital assets	<u>\$ 970,034</u>

TOWN OF NAPOLEON
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2010, with Karen Rohlfing, Clerk-Treasurer, and Tim Brancamp, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.