

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF NEW CARLISLE

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
12/02/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Susan I. Moffitt	01-01-08 to 12-31-11
President of the Town Council	Carolyn Higgins	01-01-10 to 12-31-11
Public Works Director	Patrick Cummings	01-01-10 to 12-31-11



**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 statement of the Town of New Carlisle (Town), for the period of January 1, 2010 to December 31, 2010. The Town's management is responsible for the financial statement. 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

The Town excluded from the Statement of Receipts, Disbursements, and Cash and Investments, the Emergency Management Service Fund.

In our opinion, except for the adjustment that is required on the financial statement, as discussed in the preceding paragraph, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT ACCOUNTANT'S REPORT  
(Continued)

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 21, 2011

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF NEW CARLISLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 903,681	\$ 1,532,560	\$ 1,153,597	\$ 1,282,644
Motor Vehicle Highway	273,676	360,961	235,400	399,237
Local Road & Streets	46,531	15,800	16,068	46,263
Cemetery Fund	105,114	59,612	37,553	127,173
Continuing Education Fund	1,968	1,421	2,929	460
River Boat Fund	20,047	9,419	-	29,466
Perpetual Care	136,376	250	-	136,626
Park Gift Fund	1,640	-	-	1,640
Community Services Fund	255	-	-	255
Wal-Mart Foundation Grant	9	-	-	9
Rainy Day Fund	44,801	35,541	-	80,342
Sidewalk Escrow	20,966	10,184	11,964	19,186
Law Enforcement Gift Fund	362	1,000	912	450
Levy Excess Fund	-	3,392	-	3,392
O.P.O. Grant/Police Dept	-	2,416	2,218	198
Local Major Moves	79,043	-	-	79,043
Loit-Public Safety	51,999	148,837	21,843	178,993
Excavating Permit	5,058	-	-	5,058
General OB Bond Construct	1,361	-	-	1,361
Debt Service Fund	(55)	142,892	120,989	21,848
Cum Cap Development Fund	170,652	41,563	-	212,215
Nonreverting Park Fund	12,006	3,484	250	15,240
Cumulative Fire Fund	74,900	27,608	-	102,508
Coit	10,045	-	-	10,045
Cum Cap Improvement Fund	14,851	4,407	2,575	16,683
C.E.D.I.T.	247,894	185,361	75,000	358,255
Self-Insurance Fund	234,381	210,917	216,221	229,077
Payroll Deduction	9,113	336,328	335,855	9,586
Electric Operating	13,379	1,258,577	1,244,795	27,161
Electric Bond & Interest	-	46,661	46,661	-
Electric Depreciation	32,919	34,102	20,326	46,695
Electric Depository	48,905	8,568	7,565	49,908
Electric Debt Reserve	39,642	-	-	39,642
Electric Revenue	-	1,339,249	1,339,249	-
Electric Bonds 2007	70,323	-	57,401	12,922
Refuse Removal	(2,799)	107,680	102,438	2,443
Wastewater Operating	325	467,901	466,580	1,646
Wastewater Bond & Interest	(13,836)	109,646	95,810	-
Wastewater Depreciation	25,473	5,875	-	31,348
Wastewater Construction-2007	33,898	-	33,898	-
Wastewater Debt Reserve	12,891	12,045	-	24,936
Water Operating	43,114	1,626,209	1,482,638	186,685
Water Bond & Interest	172,510	285,870	317,203	141,177
Water Depreciation	38,404	48,792	9,509	77,687
Water Depository	14,038	16,194	1,579	28,653
Totals	<u>\$ 2,995,860</u>	<u>\$ 8,501,322</u>	<u>\$ 7,459,026</u>	<u>\$ 4,038,156</u>

The notes to the financial statement are an integral part of this statement.

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. *Risk Management***

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

**Note 6. *Pension Plan***

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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:

TOWN OF NEW CARLISLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the Town. It is presented as intended by the Town.

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road & Streets	Cemetery Fund	Continuing Education Fund	River Boat Fund
Cash and investments - beginning	\$ 903,681	\$ 273,676	\$ 46,531	\$ 105,114	\$ 1,968	\$ 20,047
Receipts:						
Taxes	825,532	-	-	47,440	-	-
Licenses and permits	3,044	-	-	100	978	-
Intergovernmental	164,523	360,361	15,800	172	-	9,419
Charges for services	353,145	600	-	11,900	84	-
Fines and forfeits	11,452	-	-	-	336	-
Utility fees	-	-	-	-	-	-
Other receipts	174,864	-	-	-	23	-
Total receipts	<u>1,532,560</u>	<u>360,961</u>	<u>15,800</u>	<u>59,612</u>	<u>1,421</u>	<u>9,419</u>
Disbursements:						
Personal services	639,938	99,317	-	10,859	2,868	-
Supplies	72,541	10,325	999	3,259	61	-
Other services and charges	383,821	47,342	15,069	22,390	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	57,297	78,416	-	1,045	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>1,153,597</u>	<u>235,400</u>	<u>16,068</u>	<u>37,553</u>	<u>2,929</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>378,963</u>	<u>125,561</u>	<u>(268)</u>	<u>22,059</u>	<u>(1,508)</u>	<u>9,419</u>
Cash and investments - ending	<u>\$ 1,282,644</u>	<u>\$ 399,237</u>	<u>\$ 46,263</u>	<u>\$ 127,173</u>	<u>\$ 460</u>	<u>\$ 29,466</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Perpetual Care	Park Gift Fund	Community Services Fund	Wal-Mart Foundation Grant	Rainy Day Fund	Sidewalk Escrow
Cash and investments - beginning	\$ 136,376	\$ 1,640	\$ 255	\$ 9	\$ 44,801	\$ 20,966
Receipts:						
Taxes	-	-	-	-	-	10,184
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,541	-
Charges for services	250	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,541</u>	<u>10,184</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	11,964
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,964</u>
Excess (deficiency) of receipts over disbursements	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,541</u>	<u>(1,780)</u>
Cash and investments - ending	<u>\$ 136,626</u>	<u>\$ 1,640</u>	<u>\$ 255</u>	<u>\$ 9</u>	<u>\$ 80,342</u>	<u>\$ 19,186</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Law Enforcement Gift Fund	Levy Excess Fund	O.P.O. Grant/Police Dept	Local Major Moves	Loit-Public Safety	Excavating Permit
Cash and investments - beginning	\$ 362	\$ -	\$ -	\$ 79,043	\$ 51,999	\$ 5,058
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	3,392	-	-	148,837	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,000	-	2,416	-	-	-
Total receipts	<u>1,000</u>	<u>3,392</u>	<u>2,416</u>	<u>-</u>	<u>148,837</u>	<u>-</u>
Disbursements:						
Personal services	-	-	2,218	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	912	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	21,843	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>912</u>	<u>-</u>	<u>2,218</u>	<u>-</u>	<u>21,843</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>88</u>	<u>3,392</u>	<u>198</u>	<u>-</u>	<u>126,994</u>	<u>-</u>
Cash and investments - ending	<u>\$ 450</u>	<u>\$ 3,392</u>	<u>\$ 198</u>	<u>\$ 79,043</u>	<u>\$ 178,993</u>	<u>\$ 5,058</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	General OB Bond Construct	Debt Service Fund	Cum Cap Development Fund	Nonreverting Park Fund	Cumulative Fire Fund	Coit
Cash and investments - beginning	\$ 1,361	\$ (55)	\$ 170,652	\$ 12,006	\$ 74,900	\$ 10,045
Receipts:						
Taxes	-	142,408	41,412	-	27,507	-
Licenses and permits	-	-	-	2,884	-	-
Intergovernmental	-	484	151	-	101	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	600	-	-
Total receipts	<u>-</u>	<u>142,892</u>	<u>41,563</u>	<u>3,484</u>	<u>27,608</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	250	-	-
Debt service - principal and interest	-	120,989	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>120,989</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>21,903</u>	<u>41,563</u>	<u>3,234</u>	<u>27,608</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,361</u>	<u>\$ 21,848</u>	<u>\$ 212,215</u>	<u>\$ 15,240</u>	<u>\$ 102,508</u>	<u>\$ 10,045</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cum Cap Improvement Fund	C.E.D.I.T.	Self-Insurance Fund	Payroll Deduction	Electric Operating	Electric Bond & Interest
Cash and investments - beginning	\$ 14,851	\$ 247,894	\$ 234,381	\$ 9,113	\$ 13,379	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,407	185,361	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	210,917	336,328	1,258,577	46,661
Total receipts	<u>4,407</u>	<u>185,361</u>	<u>210,917</u>	<u>336,328</u>	<u>1,258,577</u>	<u>46,661</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	26,661
Capital outlay	2,575	75,000	-	-	133,729	-
Utility operating expenses	-	-	-	-	1,098,742	-
Other disbursements	-	-	216,221	335,855	12,324	20,000
Total disbursements	<u>2,575</u>	<u>75,000</u>	<u>216,221</u>	<u>335,855</u>	<u>1,244,795</u>	<u>46,661</u>
Excess (deficiency) of receipts over disbursements	<u>1,832</u>	<u>110,361</u>	<u>(5,304)</u>	<u>473</u>	<u>13,782</u>	<u>-</u>
Cash and investments - ending	<u>\$ 16,683</u>	<u>\$ 358,255</u>	<u>\$ 229,077</u>	<u>\$ 9,586</u>	<u>\$ 27,161</u>	<u>\$ -</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Electric Depreciation	Electric Depository	Electric Debt Reserve	Electric Revenue	Electric Bonds 2007	Refuse Removal
Cash and investments - beginning	\$ 32,919	\$ 48,905	\$ 39,642	\$ -	\$ 70,323	\$ (2,799)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	25,130	-	-
Other receipts	34,102	8,568	-	1,314,119	-	107,680
Total receipts	<u>34,102</u>	<u>8,568</u>	<u>-</u>	<u>1,339,249</u>	<u>-</u>	<u>107,680</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	20,326	-	-	-	-	-
Capital outlay	-	7,565	-	-	-	-
Utility operating expenses	-	-	-	-	57,401	100,924
Other disbursements	-	-	-	1,339,249	-	1,514
Total disbursements	<u>20,326</u>	<u>7,565</u>	<u>-</u>	<u>1,339,249</u>	<u>57,401</u>	<u>102,438</u>
Excess (deficiency) of receipts over disbursements	<u>13,776</u>	<u>1,003</u>	<u>-</u>	<u>-</u>	<u>(57,401)</u>	<u>5,242</u>
Cash and investments - ending	<u>\$ 46,695</u>	<u>\$ 49,908</u>	<u>\$ 39,642</u>	<u>\$ -</u>	<u>\$ 12,922</u>	<u>\$ 2,443</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Wastewater Operating	Wastewater Bond & Interest	Wastewater Depreciation	Wastewater Construction-2007	Wastewater Debt Reserve
Cash and investments - beginning	\$ 325	\$ (13,836)	\$ 25,473	\$ 33,898	\$ 12,891
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	451,926	-	-	-	-
Other receipts	15,975	109,646	5,875	-	12,045
Total receipts	<u>467,901</u>	<u>109,646</u>	<u>5,875</u>	<u>-</u>	<u>12,045</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	55,810	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	235,743	-	-	-	-
Other disbursements	230,837	40,000	-	33,898	-
Total disbursements	<u>466,580</u>	<u>95,810</u>	<u>-</u>	<u>33,898</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,321</u>	<u>13,836</u>	<u>5,875</u>	<u>(33,898)</u>	<u>12,045</u>
Cash and investments - ending	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 31,348</u>	<u>\$ -</u>	<u>\$ 24,936</u>

TOWN OF NEW CARLISLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Water Operating	Water Bond & Interest	Water Depreciation	Water Depository	Totals
Cash and investments - beginning	\$ 43,114	\$ 172,510	\$ 38,404	\$ 14,038	\$ 2,995,860
Receipts:					
Taxes	-	-	-	-	1,094,483
Licenses and permits	-	-	-	-	7,006
Intergovernmental	-	-	-	-	928,549
Charges for services	-	-	-	-	365,979
Fines and forfeits	-	-	-	-	11,788
Utility fees	1,513,507	-	-	-	1,990,563
Other receipts	112,702	285,870	48,792	16,194	4,102,954
Total receipts	<u>1,626,209</u>	<u>285,870</u>	<u>48,792</u>	<u>16,194</u>	<u>8,501,322</u>
Disbursements:					
Personal services	-	-	-	-	755,200
Supplies	-	-	-	-	87,185
Other services and charges	-	-	-	-	481,748
Debt service - principal and interest	-	55,343	-	-	279,129
Capital outlay	-	-	-	1,579	379,049
Utility operating expenses	967,198	-	-	-	2,460,008
Other disbursements	515,440	261,860	9,509	-	3,016,707
Total disbursements	<u>1,482,638</u>	<u>317,203</u>	<u>9,509</u>	<u>1,579</u>	<u>7,459,026</u>
Excess (deficiency) of receipts over disbursements	<u>143,571</u>	<u>(31,333)</u>	<u>39,283</u>	<u>14,615</u>	<u>1,042,296</u>
Cash and investments - ending	<u>\$ 186,685</u>	<u>\$ 141,177</u>	<u>\$ 77,687</u>	<u>\$ 28,653</u>	<u>\$ 4,038,156</u>

TOWN OF NEW CARLISLE  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2010

Description of Debt	Ending Balance	Principal & Interest Due Within One Year
Governmental activities:		
Capital leases:		
2008 Police vehicles	\$ 12,605	\$ 12,913
2009 Police vehicles	13,013	6,928
Bonds payable:		
General obligation bonds:		
2007 Town hall renovations	<u>430,000</u>	<u>116,864</u>
Total governmental activities long-term debt	<u>\$ 455,618</u>	<u>\$ 136,705</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1980 Revenue Bonds	\$ 366,000	\$ 47,300
2000 Revenue Bonds	<u>600,000</u>	<u>78,280</u>
Total Water Utility	<u>966,000</u>	<u>125,580</u>
Wastewater Utility:		
Revenue bonds:		
2000 Revenue and Refunding Revenue Bonds	590,000	84,130
2007 Revenue Bonds	<u>400,000</u>	<u>18,800</u>
Total Wastewater Utility	<u>990,000</u>	<u>102,930</u>
Electric Utility:		
Revenue bonds:		
2007 Revenue Bonds	<u>545,000</u>	<u>45,110</u>
Total business-type activities long-term debt	<u>\$ 2,501,000</u>	<u>\$ 273,620</u>

TOWN OF NEW CARLISLE  
EXAMINATION RESULTS AND COMMENTS

***PENALTIES ON PAST DUE UTILITY ACCOUNTS***

Penalties were not always charged to the past due utility accounts of Town officials. One Council member was not charged a penalty on two separate past due utility bills in 2010.

The penalties charged on some of the past due utility accounts of one council member did not agree with the penalties listed on the back of the utility bill.

The rate ordinances for the electric utility, water utility, wastewater utility, and refuse removal did not contain any reference to penalties and the application and calculation of such penalties for past due accounts.

The governing board over a water, gas, or electric utility should adopt written policies dealing with unclaimed meter deposits, bad debts, due dates, write-offs, NSF checks, etc.

The governing body over a sewage utility should also adopt written collection policies for those areas not covered by statute.

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

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)

***TRANSACTION RECORDING***

At December 31, 2010, the Town had two investments that were not entered in the records.

At December 31, 2010, the New Carlisle Area Ambulance Service had two bank accounts totaling \$82,450 that were not reflected in the Town's records.

A similar comment was made on Report B37503.

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)

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.

***ORDINANCES AND RESOLUTIONS***

The Town adopted ordinance Number 1191 on December 27, 2007. The ordinance stipulated how certain salaries were to be allocated. A review of the payroll distribution report revealed that salaries are not being allocated in accordance with the ordinance. The Clerk-Treasurer stated that salaries are being allocated in accordance with an ordinance adopted in previous years.

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 CARLISLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**PAYROLL WITHHOLDING**

A review of the payroll withholding clearing accounts revealed that the control ledger does not agree with the subsidiary ledgers. The payroll clearing account shows a balance of \$9,585 as of December 31, 2010, and a review of subsequent payments made indicated that the clearing account balance was not reflective of any withholdings made during our audit period. Inquiries were made and the Clerk-Treasurer could not determine what the balance consisted of, as the payroll clearing account has had a balance of \$9,112 for a number of years.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**UTILITY BILLING**

The rate ordinance's "Appendix A" for electric utility billing indicated that the Fuel Cost Adjustment should be calculated as the most recently billed amount to the Town's Electric Utility by the purchased power supplier less \$.000136 per Kwh. Such difference is to be divided by one (1) minus the total energy losses of the utility for the preceding calendar year expressed as a decimal fraction of the total energy purchased for the same year. However, the fuel cost adjustment billed to the customers is the Kwh usage times the rate (\$.0003663).

Inquiries were made of both the Town Manager and the Clerk-Treasurer and, according to the Town Manager, it is possible that the resolution has not been properly updated and the system is billing correctly. However, supporting documentation was not presented to support this statement. If the resolution is correct the effects on the electric revenue cannot be determined.

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)

**CAPITAL ASSET RECORDS**

The Town has not updated its list of capital assets within the past five years. A similar comment was made in Report B37503.

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 form. 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 NEW CARLISLE  
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2011, with Carolyn Higgins, President of the Town Council, and Susan I. Moffitt, Clerk-Treasurer.