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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF MONTGOMERY

DAVISS COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
07/19/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cynthia Smith	01-01-10 to 12-31-15
President of the Town Council	John M. Healy	01-01-10 to 12-31-12
Superintendent of Utilities	Timothy Showalter	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MONTGOMERY, DAVIESS COUNTY, INDIANA

We have examined the financial statements of the Town of Montgomery (Town), for the period of January 1, 2010 to December 31, 2011. The Town's management is responsible for the financial statements. 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 statements 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 statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

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

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity, 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

June 6, 2012

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FINANCIAL STATEMENTS

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

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 73,559	\$ 48,432	\$ 56,170	\$ 65,821
Motor Vehicle Highway	26,491	50,265	60,846	15,910
Local Road And Street	7,866	1,955	-	9,821
Federal Grants # 1	21,823	-	5,617	16,206
Firefighting	41,179	16,463	16,931	40,711
Fire Donation	8,182	34,930	35,599	7,513
Cumulative Capital Improvement Cigarette Tax	5,610	1,642	-	7,252
County Economic Development Income Tax	33,780	-	-	33,780
Wastewater Utility-Operating	97,367	143,157	108,535	131,989
Wastewater Utility-Bond And Interest	61,500	59,593	57,495	63,598
Wastewater Utility-Depreciation/Improvement	17,000	1,000	-	18,000
Water Utility-Operating	461,988	124,497	87,818	498,667
Water Utility-Depreciation/Improvement	31,593	1,001	-	32,594
Water Utility-Customer Deposit	5,557	980	152	6,385
Totals	<u>\$ 893,495</u>	<u>\$ 483,915</u>	<u>\$ 429,163</u>	<u>\$ 948,247</u>

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

TOWN OF MONTGOMERY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 65,821	\$ 38,845	\$ 44,526	\$ 60,140
Motor Vehicle Highway	15,910	58,326	10,491	63,745
Local Road And Street	9,821	1,911	-	11,732
Firefighting	40,711	15,860	15,854	40,717
Cumulative Capl Imprv Cigarette Tax	7,252	1,057	-	8,309
Co Economic Development Income Tax	33,780	-	-	33,780
Federal Grants # 1	16,206	-	16,201	5
Fire Donation	7,513	27,390	26,006	8,897
Wastewater Utility-Operating	131,989	124,672	151,965	104,696
Wastewater Util-Bond And Interest	63,598	53,394	35,438	81,554
Wastewater Utility-Deprec/Improve	18,000	1,000	-	19,000
Water Utility-Operating	498,667	120,309	100,810	518,166
Water Utility-Depreciation/Improve	32,594	1,000	-	33,594
Water Utility-Customer Deposit	6,385	1,700	215	7,870
Totals	<u>\$ 948,247</u>	<u>\$ 445,464</u>	<u>\$ 401,506</u>	<u>\$ 992,205</u>

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

TOWN OF MONTGOMERY
NOTES TO FINANCIAL STATEMENTS

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 statements present 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 statements are 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.

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

TOWN OF MONTGOMERY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

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.

TOWN OF MONTGOMERY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF MONTGOMERY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 any replacement items purchased.

Note 6. Pension Plan

A. 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are 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 approved by management of the Town. It is presented as intended by the Town.

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

	General	Motor Vehicle Highway	Local Road And Street	Federal Grants # 1	Firefighting	Fire Donation	Cumulative Capital Improvement Cigarette Tax	County Economic Development Income Tax
Cash and investments - beginning	\$ 73,559	\$ 26,491	\$ 7,866	\$ 21,823	\$ 41,179	\$ 8,182	\$ 5,610	\$ 33,780
Receipts:								
Intergovernmental	48,432	50,265	1,955	-	16,463	34,930	1,642	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	48,432	50,265	1,955	-	16,463	34,930	1,642	-
Disbursements:								
Personal services	12,360	7,872	-	-	719	-	-	-
Supplies	666	49,942	-	5,617	-	35,599	-	-
Other services and charges	43,144	-	-	-	16,212	-	-	-
Capital outlay	-	3,032	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	56,170	60,846	-	5,617	16,931	35,599	-	-
Excess (deficiency) of receipts over disbursements	(7,738)	(10,581)	1,955	(5,617)	(468)	(669)	1,642	-
Cash and investments - ending	\$ 65,821	\$ 15,910	\$ 9,821	\$ 16,206	\$ 40,711	\$ 7,513	\$ 7,252	\$ 33,780

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

	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Depreciation/Improvement	Water Utility-Operating	Water Utility-Depreciation/Improvement	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 97,367	\$ 61,500	\$ 17,000	\$ 461,988	\$ 31,593	\$ 5,557	\$ 893,495
Receipts:							
Intergovernmental	-	-	-	-	-	-	153,687
Utility fees	-	-	1,000	124,497	-	-	125,497
Other receipts	143,157	59,593	-	-	1,001	980	204,731
Total receipts	143,157	59,593	1,000	124,497	1,001	980	483,915
Disbursements:							
Personal services	-	-	-	-	-	-	20,951
Supplies	-	-	-	-	-	-	91,824
Other services and charges	-	-	-	-	-	-	59,356
Capital outlay	-	-	-	-	-	-	3,032
Utility operating expenses	108,535	-	-	87,818	-	152	196,505
Other disbursements	-	57,495	-	-	-	-	57,495
Total disbursements	108,535	57,495	-	87,818	-	152	429,163
Excess (deficiency) of receipts over disbursements	34,622	2,098	1,000	36,679	1,001	828	54,752
Cash and investments - ending	\$ 131,989	\$ 63,598	\$ 18,000	\$ 498,667	\$ 32,594	\$ 6,385	\$ 948,247

TOWN OF MONTGOMERY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Firefighting	Cumulative Capl Imprv Cigarette Tax	Co Economic Development Income Tax	Federal Grants # 1	Fire Donation
Cash and investments - beginning	\$ 65,821	\$ 15,910	\$ 9,821	\$ 40,711	\$ 7,252	\$ 33,780	\$ 16,206	\$ 7,513
Receipts:								
Taxes	18,340	58,326	1,911	5,854	1,057	-	-	-
Intergovernmental	17,710	-	-	-	-	-	-	-
Charges for services	215	-	-	10,000	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	2,580	-	-	6	-	-	-	27,390
Total receipts	38,845	58,326	1,911	15,860	1,057	-	-	27,390
Disbursements:								
Personal services	7,986	6,726	-	586	-	-	-	-
Supplies	1,206	1,814	-	-	-	-	16,201	-
Other services and charges	33,279	-	-	15,268	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	173	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,882	1,951	-	-	-	-	-	26,006
Total disbursements	44,526	10,491	-	15,854	-	-	16,201	26,006
Excess (deficiency) of receipts over disbursements	(5,681)	47,835	1,911	6	1,057	-	(16,201)	1,384
Cash and investments - ending	\$ 60,140	\$ 63,745	\$ 11,732	\$ 40,717	\$ 8,309	\$ 33,780	\$ 5	\$ 8,897

TOWN OF MONTGOMERY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility-Deprec/Improve	Water Utility-Operating	Water Utility-Depreciation/Improve	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 131,989	\$ 63,598	\$ 18,000	\$ 498,667	\$ 32,594	\$ 6,385	\$ 948,247
Receipts:							
Taxes	-	-	-	-	-	-	85,488
Intergovernmental	-	-	-	-	-	-	17,710
Charges for services	-	-	-	-	-	-	10,215
Utility fees	123,681	-	-	120,309	-	-	243,990
Other receipts	991	53,394	1,000	-	1,000	1,700	88,061
Total receipts	<u>124,672</u>	<u>53,394</u>	<u>1,000</u>	<u>120,309</u>	<u>1,000</u>	<u>1,700</u>	<u>445,464</u>
Disbursements:							
Personal services	-	-	-	-	-	-	15,298
Supplies	-	-	-	-	-	-	19,221
Other services and charges	-	-	-	-	-	-	48,547
Debt service - principal and interest	53,394	35,438	-	-	-	-	88,832
Capital outlay	-	-	-	-	-	-	173
Utility operating expenses	98,571	-	-	100,810	-	-	199,381
Other disbursements	-	-	-	-	-	215	30,054
Total disbursements	<u>151,965</u>	<u>35,438</u>	<u>-</u>	<u>100,810</u>	<u>-</u>	<u>215</u>	<u>401,506</u>
Excess (deficiency) of receipts over disbursements	<u>(27,293)</u>	<u>17,956</u>	<u>1,000</u>	<u>19,499</u>	<u>1,000</u>	<u>1,485</u>	<u>43,958</u>
Cash and investments - ending	<u>\$ 104,696</u>	<u>\$ 81,554</u>	<u>\$ 19,000</u>	<u>\$ 518,166</u>	<u>\$ 33,594</u>	<u>\$ 7,870</u>	<u>\$ 992,205</u>

TOWN OF MONTGOMERY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 7,211	\$ -
Wastewater	4,379	2,803
Water	7,734	1,085
Totals	\$ 19,324	\$ 3,888

TOWN OF MONTGOMERY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Notes and loans payable	sewer upgrade	\$ 655,000	\$ 34,795
Notes and loans payable	sewer work	<u>127,000</u>	<u>6,556</u>
Total Wastewater		<u>782,000</u>	<u>41,351</u>
Totals		<u>\$ 782,000</u>	<u>\$ 41,351</u>

TOWN OF MONTGOMERY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 15,000
Buildings	87,517
Machinery, equipment and vehicles	331,695
Total governmental activities	434,212
Wastewater:	
Land	17,000
Infrastructure	1,342,209
Machinery, equipment and vehicles	13,200
Total Wastewater	1,372,409
Water:	
Land	64,000
Buildings	346,943
Improvements other than buildings	984,378
Machinery, equipment and vehicles	54,154
Total Water	1,449,475
Total capital assets	\$ 3,256,096

TOWN OF MONTGOMERY
EXAMINATION RESULTS AND COMMENTS

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.

Indiana Code 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:
 - (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. . . ."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$8.74 for Utility Receipt Tax for the period ending December 31, 2010, were paid to the Indiana Department of Revenue on October 26, 2011.

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.

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)

TOWN OF MONTGOMERY
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2012, with Cynthia Smith, Clerk-Treasurer, and Deron Steiner, Town Council member. The officials concurred with our findings.