

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF NEW POINT

DECATUR COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED

7/31/06

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Viola Minning

01-01-00 to 12-31-07

President of the Town Council

Larry Byrd

01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW POINT, DECATUR COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of New Point (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 15, 2006

TOWN OF NEW POINT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 38,864	\$ 26,008	\$ 32,837	\$ 32,035
Community Building Donation	-	235	9	226
Proprietary Funds:				
Wastewater Utility - Operating	39,446	139,314	141,943	36,817
Wastewater Utility - Bond and Interest	28,288	15,946	10,291	33,943
Totals	<u>\$ 106,598</u>	<u>\$ 181,503</u>	<u>\$ 185,080</u>	<u>\$ 103,021</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 32,035	\$ 54,993	\$ 54,381	\$ 32,647
Community Building Donation	226	29,048	-	29,274
Proprietary Funds:				
Wastewater Utility - Operating	36,817	190,077	167,326	59,568
Wastewater Utility - Bond and Interest	33,943	14,950	10,160	38,733
Totals	<u>\$ 103,021</u>	<u>\$ 289,068</u>	<u>\$ 231,867</u>	<u>\$ 160,222</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 32,647	\$ 38,688	\$ 58,231	\$ 13,104
Community Building Donation	29,274	574,901	598,553	5,622
Proprietary Funds:				
Wastewater Utility - Operating	59,568	147,185	183,417	23,336
Wastewater Utility - Bond and Interest	38,733	35,618	25,040	49,311
Totals	<u>\$ 160,222</u>	<u>\$ 796,392</u>	<u>\$ 865,241</u>	<u>\$ 91,373</u>

The accompanying notes are an integral part of the schedules.

TOWN OF NEW POINT
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, general administrative services, and wastewater 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. Long-Term Debt

The Town has entered into debt such as bonds for wastewater improvement. The outstanding principal at December 31, 2005, was \$132,000.

TOWN OF NEW POINT
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated expenditures in excess of budgeted appropriations for the General Fund for the year of 2004.

Indiana Code 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."

OMISSION OF FUNDS

As stated in the prior audit report, state distributions for Motor Vehicle Highway, Local Road and Street, Cumulative Capital Improvement, and Riverboat Revenue Sharing were receipted to the Town General Fund instead of a separate fund for each type of distribution.

Motor Vehicle Highway, Local Road and Street, Cumulative Capital Improvement, and Riverboat Revenue Sharing distributions should be receipted to a separate fund for each distribution type. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

Indiana Code 36-5-4-13 states in part: "Except as provided in subsection (c), this subsection applies to a town with a population of five hundred (500) or less. Notwithstanding the provisions of any other statute, a town may transfer money from any town fund to another town fund after the passage of an ordinance or a resolution by the town legislative body specifying the:

- (1) amount of the transfer;
- (2) funds involved;
- (3) date of the transfer; and
- (4) general purpose of the transfer."

TOWN OF NEW POINT
EXIT CONFERENCE

The contents of this report were discussed on June 15, 2006, with Larry Byrd, President of the Town Council, and Viola Minning, Clerk-Treasurer.