

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

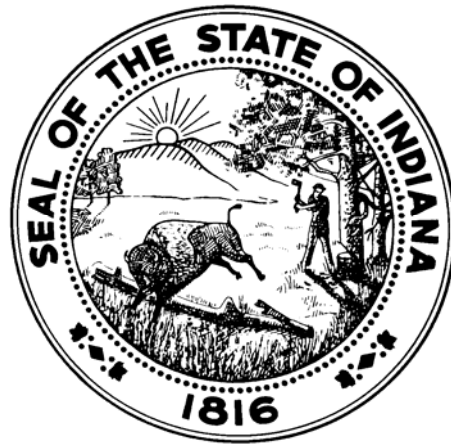
EXAMINATION REPORT

OF

TOWN OF MILLHOUSEN

DECATUR COUNTY, INDIANA

January 1, 2002 to December 31, 2005



FILED

08/23/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Condition of Records	6
List of Employees Not Filed With County Treasurer	6
Certified Report Not Filed	6
Annual Report.....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Joseph Johannigman Marilyn Horan	01-01-02 to 06-30-03 07-01-03 to 12-31-07
President of the Town Council	Robert Witkemper	01-01-02 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 MILLHOUSEN, DECATUR COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Millhousen (Town), for the period of January 1, 2002 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, 2002, 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

July 6, 2006

TOWN OF MILLHOUSEN
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 61,615	\$ 11,714	\$ 4,613	\$ 68,716
Motor Vehicle Highway	10,433	3,766	2,071	12,128
Local Road and Street	4,750	1,497	-	6,247
EDIT Tax	3,676	1,165	4,200	641
Cumulative Capital Improvement	8,599	267	30	8,836
Totals	<u>\$ 89,073</u>	<u>\$ 18,409</u>	<u>\$ 10,914</u>	<u>\$ 96,568</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 68,716	\$ 4,976	\$ 34,758	\$ 38,934
Motor Vehicle Highway	12,128	4,420	7,000	9,548
Local Road and Street	6,247	1,736	116	7,867
EDIT Tax	641	829	-	1,470
Cumulative Capital Improvement	8,836	925	-	9,761
Totals	<u>\$ 96,568</u>	<u>\$ 12,886</u>	<u>\$ 41,874</u>	<u>\$ 67,580</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 38,934	\$ 15,102	\$ 6,756	\$ 47,280
Motor Vehicle Highway	9,548	7,589	-	17,137
Local Road and Street	7,867	1,681	-	9,548
EDIT Tax	1,470	357	-	1,827
Cumulative Capital Improvement	9,761	577	-	10,338
Totals	<u>\$ 67,580</u>	<u>\$ 25,306</u>	<u>\$ 6,756</u>	<u>\$ 86,130</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 47,280	\$ 11,291	\$ 25,722	\$ 32,849
Motor Vehicle Highway	17,137	6,292	-	23,429
Local Road and Street	9,548	1,667	720	10,495
EDIT Tax	1,827	644	-	2,471
Cumulative Capital Improvement	10,338	535	600	10,273
Levy Excess	-	196	-	196
Totals	<u>\$ 86,130</u>	<u>\$ 20,625</u>	<u>\$ 27,042</u>	<u>\$ 79,713</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MILLHOUSEN
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, highways and streets, 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.

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.

TOWN OF MILLHOUSEN
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

There were two posting errors in 2003, two posting errors in 2004 and three posting errors in 2005. These errors included checks and receipts not recorded or not recorded in the proper amounts. Also, interest was not recorded for the fourth quarter of 2003 and all four quarters of 2004 and 2005.

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)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

As noted in the prior report, the Town's list of public employees was not certified to the County Treasurer in 2002, 2003, 2004, and 2005.

Indiana Code 6-1.1-22-14(a) states, in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

CERTIFIED REPORT NOT FILED

As noted in the prior report, the Town did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2002, 2003 and 2004.

Indiana Code 5-11-13-1 states, in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

ANNUAL REPORT

An annual report for 2002, 2003, 2004 and 2005 was not presented for audit.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF MILLHOUSEN
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2006, with Marilyn Horan, Clerk-Treasurer; and Robert Witkemper, President of the Town Council. The officials concurred with our findings.