

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

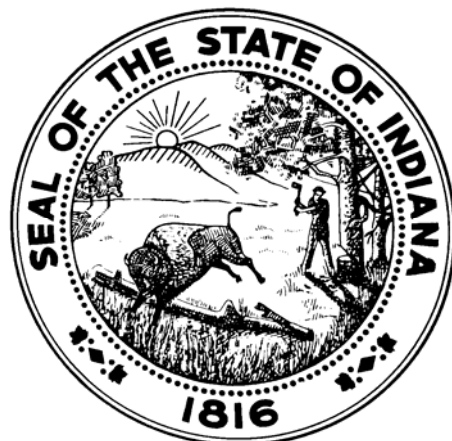
EXAMINATION REPORT

OF

TOWN OF NEW AMSTERDAM

HARRISON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/11/2006

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------|-------------------|----------------------|
| Clerk-Treasurer | Mary Faye Shaffer | 01-01-04 to 12-31-07 |
| President of the Town Council | Brent W. Shaffer | 01-01-04 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW AMSTERDAM, HARRISON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of New Amsterdam (Town), for the period of January 1, 2004 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, 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 26, 2006

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

| | Cash and Investments 01-01-04 | Receipts | Disbursements | Cash and Investments 12-31-04 |
|--------------------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 2,444 | \$ 576 | \$ - | \$ 3,020 |
| Motor Vehicle Highway | 2,134 | 132 | - | 2,266 |
| Local Road and Street | 9,000 | 535 | - | 9,535 |
| Riverboat | 197,920 | 66,329 | 76,215 | 188,034 |
| Donation | 65 | - | - | 65 |
| Cumulative Capital Improvement | 551 | 4 | - | 555 |
| Totals | <u>\$ 212,114</u> | <u>\$ 67,576</u> | <u>\$ 76,215</u> | <u>\$ 203,475</u> |

| | Cash and Investments 01-01-05 | Receipts | Disbursements | Cash and Investments 12-31-05 |
|--------------------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 3,020 | \$ 2,311 | \$ 1,763 | \$ 3,568 |
| Motor Vehicle Highway | 2,266 | 129 | 1,510 | 885 |
| Local Road and Street | 9,535 | 541 | 500 | 9,576 |
| Riverboat | 188,034 | 28,890 | 35,219 | 181,705 |
| Donation | 65 | 700 | 128 | 637 |
| Cumulative Capital Improvement | 555 | 3 | 555 | 3 |
| Totals | <u>\$ 203,475</u> | <u>\$ 32,574</u> | <u>\$ 39,675</u> | <u>\$ 196,374</u> |

The accompanying notes are an integral part of the schedules.

TOWN OF NEW AMSTERDAM
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: 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. 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.

TOWN OF NEW AMSTERDAM
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Town did not comply with directives of the Federal government by incorrectly completing Form 941 for the year 2005. The total taxes paid were \$152.45, and should have been \$107.10, resulting in an overpayment of \$45.35. The official was instructed to contact the Internal Revenue Service about filing an amended Form 941.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NEW AMSTERDAM
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2006, with Brent W. Shaffer, President of the Town Council; and Mary Faye Shaffer, Clerk-Treasurer. The officials concurred with our finding.