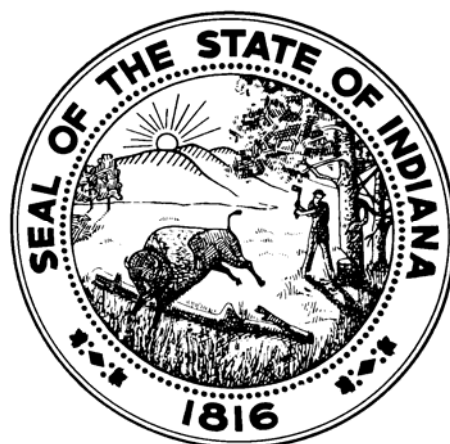


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF CAMPBELLSBURG
WASHINGTON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/12/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Vanessa Blaine	01-01-03 to 12-31-06
President of the Town Council	Jeffrey A. Guthrie	01-01-04 to 12-31-04
	David L. Brown	01-01-05 to 12-31-06
Superintendent of Utilities	Kent Guthrie	01-01-04 to 02-16-04
	Vacant	02-17-04 to 02-21-04
	Melvin Hunsucker	02-22-04 to 05-10-04
	Randy Hembree	05-11-04 to 04-01-05
	Melvin Hunsucker	04-02-05 to 04-10-05
	Christopher Boulet	04-11-05 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

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CAMPBELLSBURG, WASHINGTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Campbellsburg (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 19, 2006

TOWN OF CAMPBELLSBURG
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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	\$ 14,623	\$ 174,762	\$ 120,518	\$ 68,867
Motor Vehicle Highway	4,599	18,032	14,893	7,738
Local Road and Street	2,507	3,417	2,401	3,523
Park and Recreation	6,673	10,460	12,936	4,197
Law Enforcement Continuing Education	258	20	88	190
Riverboat	3,655	3,645	1,000	6,300
Rainy Day	-	3,394	-	3,394
Planning Grant	-	40,500	40,500	-
Cumulative Capital Improvement	14,452	2,211	6,000	10,663
Economic Development Income Tax (EDIT)	3,736	7,089	3,000	7,825
Park Nonreverting Capital	4,887	19,073	8,814	15,146
Proprietary Funds:				
Water Utility - Operating	66,373	265,430	283,346	48,457
Water Utility - Bond and Interest	-	2,254	-	2,254
Water Utility - Depreciation	5,205	24	-	5,229
Water Utility - Customer Deposit	16,021	2,721	2,380	16,362
Wastewater Utility - Operating	25,759	121,367	120,136	26,990
Wastewater Utility - Bond and Interest	10,550	29,519	29,817	10,252
Wastewater Utility - Debt Service Reserve	200	-	-	200
Fiduciary Fund:				
Payroll	1,736	103,430	103,567	1,599
Totals	<u>\$ 181,234</u>	<u>\$ 807,348</u>	<u>\$ 749,396</u>	<u>\$ 239,186</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 68,867	\$ 80,215	\$ 94,830	\$ 54,252
Motor Vehicle Highway	7,738	17,743	16,188	9,293
Local Road and Street	3,523	3,471	4,050	2,944
Park and Recreation	4,197	10,949	12,945	2,201
Law Enforcement Continuing Education	190	81	10	261
Riverboat	6,300	3,644	-	9,944
Rainy Day	3,394	-	3,000	394
Cumulative Capital Improvement	10,663	1,927	2,700	9,890
Economic Development Income Tax (EDIT)	7,825	7,069	-	14,894
Park Nonreverting Capital	15,146	5,162	14,734	5,574
Proprietary Funds:				
Water Utility - Operating	48,457	288,802	306,127	31,132
Water Utility - Bond and Interest	2,254	-	-	2,254
Water Utility - Depreciation	5,229	64	-	5,293
Water Utility - Customer Deposit	16,362	3,442	2,722	17,082
Wastewater Utility - Operating	26,990	133,110	123,489	36,611
Wastewater Utility - Bond and Interest	10,252	27,868	37,868	252
Wastewater Utility - Construction	200	-	-	200
Fiduciary Fund:				
Payroll	1,599	111,503	110,760	2,342
Totals	<u>\$ 239,186</u>	<u>\$ 695,050</u>	<u>\$ 729,423</u>	<u>\$ 204,813</u>

The accompanying notes are an integral part of the schedules.

TOWN OF CAMPBELLSBURG
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, culture and recreation, public improvements, general administrative services, water and wastewater.

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 CAMPBELLSBURG
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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% 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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into a loan for the ball park. The outstanding principal at December 31, 2005, was \$5,597. The Water Utility has entered into two operating loans. The outstanding principal at December 31, 2005, was \$61,218 and \$28,290. The Wastewater Utility has entered into a 2001 Sewage Works Refunding Revenue Bond and a loan for sewer lines. The outstanding principal at December 31, 2005, was \$120,000 and \$2,040, respectively.

Note 8. Significant Customer

For the years 2004 and 2005, the Wastewater Utility – Operating had material transactions with Helsel, Inc., in relation to wastewater services provided in the amount of \$21,503 and \$32,796, which represents 20.2% and 27.2%, respectively, of the Wastewater Utility's billings.

TOWN OF CAMPBELLSBURG
EXAMINATION RESULT AND COMMENT

HYDRANT RENTAL PAYABLE

In prior years, the Town failed to pay hydrant rental to the Water Utility in approved amounts. As noted in the prior audit report, the Town owed the Water Utility hydrant rental of \$93,715.36 as of December 31, 2003.

During the current audit period, the Town paid the required annual hydrant rental of \$12,172.46 to the Water Utility. Additionally, during the years 2004 and 2005, the Town paid the Water Utility \$5,655.08 towards the previously owed amount. Therefore, as of December 31, 2005, the Town still owes the Water Utility \$88,060.28.

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 CAMPBELLSBURG
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2006, with David L. Brown, President of the Town Council; and Vanessa Blaine, Clerk-Treasurer. The officials concurred with our finding.