

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

EXAMINATION REPORT

OF

TOWN OF NEW ROSS

MONTGOMERY COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
09/19/2006

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	5-6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rebecca Lowe	01-01-00 to 12-31-07
President of the Town Council	Patricia Perry	01-01-03 to 12-31-03
	Steve Harris	01-01-04 to 12-31-04
	Jerry Kinkead	01-01-05 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

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 ROSS, MONTGOMERY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of New Ross (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

August 8, 2006

TOWN OF NEW ROSS
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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 64,495	\$ 26,859	\$ 38,700	\$ 52,654
Motor Vehicle Highway	16,073	12,583	11,836	16,820
Local Road and Street	11,065	1,786	4,440	8,411
Law Enforcement Continuing Education	301	-	-	301
Cumulative Capital Improvement	1,764	1,207	-	2,971
Cumulative Capital Development	5,748	1,526	-	7,274
Fire Building	6,201	-	6,201	-
Proprietary Funds:				
Electric Utility - Operating	101,330	171,310	158,112	114,528
Electric Utility - Depreciation	34,769	8,566	3,040	40,295
Electric Utility - Reserve	9,936	1,713	-	11,649
Electric Utility - Customer Deposit	10,771	2,650	356	13,065
Wastewater Utility - Operating	84,604	94,960	78,532	101,032
Wastewater Utility - Reserve	-	4,407	2,855	1,552
Wastewater Utility - Sinking	81	40,320	36,675	3,726
Wastewater Utility - Improvement	-	1,375	-	1,375
Fiduciary Fund:				
Levy Excess	503	-	-	503
Totals	\$ 347,641	\$ 369,262	\$ 340,747	\$ 376,156

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 52,654	\$ 54,389	\$ 36,970	\$ 70,073
Motor Vehicle Highway	16,820	12,963	13,481	16,302
Local Road and Street	8,411	1,856	5,000	5,267
Law Enforcement Continuing Education	301	169	-	470
Cumulative Capital Improvement	2,971	1,247	-	4,218
Cumulative Capital Development	7,274	4,528	-	11,802
Proprietary Funds:				
Electric Utility - Operating	114,528	175,611	159,923	130,216
Electric Utility - Depreciation	40,295	758	5,163	35,890
Electric Utility - Reserve	11,649	152	-	11,801
Electric Utility - Customer Deposit	13,065	1,705	545	14,225
Wastewater Utility - Operating	101,032	91,971	80,744	112,259
Wastewater Utility - Reserve	1,552	4,437	-	5,989
Wastewater Utility - Sinking	3,726	44,370	39,458	8,638
Wastewater Utility - Improvement	1,375	4,437	-	5,812
Fiduciary Fund:				
Levy Excess	503	-	-	503
Totals	\$ 376,156	\$ 398,593	\$ 341,284	\$ 433,465

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 70,073	\$ 42,619	\$ 46,443	\$ 66,249
Motor Vehicle Highway	16,302	12,099	10,280	18,121
Local Road and Street	5,267	1,859	-	7,126
Law Enforcement Continuing Education	470	33	-	503
Cumulative Capital Improvement	4,218	1,032	4,000	1,250
Cumulative Capital Development	11,802	2,661	6,000	8,463
Proprietary Funds:				
Electric Utility - Operating	130,216	190,916	168,450	152,682
Electric Utility - Depreciation	35,890	-	-	35,890
Electric Utility - Reserve	11,801	-	-	11,801
Electric Utility - Customer Deposit	14,225	1,545	1,165	14,605
Wastewater Utility - Operating	112,259	88,880	78,810	122,329
Wastewater Utility - Reserve	5,989	4,359	-	10,348
Wastewater Utility - Sinking	8,638	43,586	39,448	12,776
Wastewater Utility - Improvement	5,812	4,358	-	10,170
Fiduciary Fund:				
Levy Excess	503	-	503	-
Totals	\$ 433,465	\$ 393,947	\$ 355,099	\$ 472,313

The accompanying notes are an integral part of the schedules.

TOWN OF NEW ROSS
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, health and social services, culture and recreation, 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 NEW ROSS
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 debt for Wastewater Utility revenue bonds. The outstanding principal at December 31, 2005, was \$680,200.

TOWN OF NEW ROSS
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2006, with Rebecca Lowe, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.