

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF NAPOLEON  
RIPLEY COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
12/29/2006



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Karen Rohlfing

01-01-04 to 12-31-07

President of the  
Town Council

Tim Brancamp

01-01-04 to 12-31-06



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NAPOLEON, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Napoleon (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information 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

November 22, 2006

TOWN OF NAPOLEON  
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
<b>Governmental Funds:</b>				
General	\$ 16,726	\$ 30,594	\$ 25,701	\$ 21,619
Motor Vehicle Highway	14,301	7,400	15,006	6,695
Local Road and Street	2,933	1,288	641	3,580
Riverboat	15,237	22,494	12,475	25,256
Rainy Day	-	495	-	495
CEDIT	3,446	1,394	167	4,673
Cumulative Capital Improvement	-	888	888	-
Playground	-	500	-	500
Sanitation	8,772	9,192	8,913	9,051
Wastewater Lift Station	21,578	7,860	29,438	-
<b>Proprietary Funds:</b>				
Gas Utility - Operating	88,345	116,801	123,470	81,676
Gas Utility - Customer Deposit	3,155	350	200	3,305
Wastewater Utility - Operating	69,452	39,856	30,106	79,202
<b>Fiduciary Fund:</b>				
Payroll	692	14,210	14,210	692
<b>Totals</b>	<b>\$ 244,637</b>	<b>\$ 253,322</b>	<b>\$ 261,215</b>	<b>\$ 236,744</b>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 21,619	\$ 23,799	\$ 22,928	\$ 22,490
Motor Vehicle Highway	6,695	7,236	4,021	9,910
Local Road and Street	3,580	1,296	1,721	3,155
Riverboat	25,256	26,942	6,660	45,538
Rainy Day	495	-	-	495
CEDIT	4,673	1,307	156	5,824
Cumulative Capital Improvement	-	736	736	-
Playground	500	-	500	-
Sanitation	9,051	10,430	11,262	8,219
<b>Proprietary Funds:</b>				
Gas Utility - Operating	81,676	107,412	141,046	48,042
Gas Utility - Customer Deposit	3,305	500	250	3,555
Wastewater Utility - Operating	79,202	40,524	41,925	77,801
<b>Fiduciary Fund:</b>				
Payroll	692	14,210	14,210	692
<b>Totals</b>	<b>\$ 236,744</b>	<b>\$ 234,392</b>	<b>\$ 245,415</b>	<b>\$ 225,721</b>

The accompanying notes are an integral part of the schedules.

TOWN OF NAPOLEON  
NOTES TO FINANCIAL INFORMATION

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, highway and street, gas, wastewater, sanitation, public improvements, 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 NAPOLEON  
EXAMINATION RESULT AND COMMENT

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register of the Gas Utility does not reconcile with the customer deposit amount recorded on the simplified cash journal.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NAPOLEON  
EXIT CONFERENCE

The contents of this report were discussed on November 22, 2006, with Karen Rohlfing, Clerk-Treasurer. The official concurred with our finding.