

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

EXAMINATION REPORT
OF
TOWN OF NEW RICHMOND
MONTGOMERY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
06/07/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet Brown	01-01-04 to 12-31-07
President of the Town Council	Gerald Ratcliff Kathy Peevler	01-01-05 to 12-31-05 01-01-06 to 12-31-07
Superintendent of Water Utility	Roger Kunkel	01-01-05 to 12-31-07
Superintendent of Wastewater Utility	Julie Gregg	01-01-05 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW RICHMOND, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Richmond (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 2, 2007

TOWN OF NEW RICHMOND
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 101,756	\$ 89,952	\$ 117,324	\$ 74,384
Motor Vehicle Highway	65,605	12,590	11,257	66,938
Local Road and Street	2,845	1,872	2,832	1,885
Park and Recreation	22,099	-	2,698	19,401
Law Enforcement Continuing Education	791	15	-	806
Cumulative Capital Improvement	4,985	1,079	-	6,064
Cumulative Building and Fire Fighting Equipment	8,550	68	-	8,618
Fire Station Grant	1,758	132,325	130,126	3,957
Twin Oaks Project	-	8,000	8,000	-
Housing Rehab Grant	-	16,000	16,000	-
Proprietary Funds:				
Water Utility - Operating	9,267	113,517	105,332	17,452
Water Utility - Customer Deposit	6,070	1,916	719	7,267
Wastewater Utility - Operating	6,999	81,540	82,383	6,156
Wastewater Utility - Bond and Interest	22,042	171	8,000	14,213
Totals	<u>\$ 252,767</u>	<u>\$ 459,045</u>	<u>\$ 484,671</u>	<u>\$ 227,141</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 74,384	\$ 89,929	\$ 137,122	\$ 27,191
Motor Vehicle Highway	66,938	14,684	37,520	44,102
Local Road and Street	1,885	2,091	553	3,423
Park and Recreation	19,401	-	8,593	10,808
Law Enforcement Continuing Education	806	235	-	1,041
Cumulative Capital Improvement	6,064	1,247	563	6,748
Cumulative Building and Fire Fighting Equipment	8,618	-	8,500	118
Fire Station Grant	3,957	384,484	388,441	-
Landscaping Grant	-	3,150	2,385	765
Lagoon Repair Match	-	226	-	226
Excess Levy	-	3,270	-	3,270
Proprietary Funds:				
Water Utility - Operating	17,452	118,060	116,449	19,063
Water Utility - Customer Deposit	7,267	1,790	820	8,237
Wastewater Utility - Operating	6,156	83,005	82,997	6,164
Wastewater Utility - Bond and Interest	14,213	111	13,529	795
Totals	<u>\$ 227,141</u>	<u>\$ 702,282</u>	<u>\$ 797,472</u>	<u>\$ 131,951</u>

The accompanying notes are an integral part of the schedules.

TOWN OF NEW RICHMOND
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, highways and streets, culture and recreation, public improvements, general administrative services, and 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. 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 RICHMOND
EXAMINATION RESULTS AND COMMENTS

ORDINANCES AND RESOLUTIONS

The Town has an ordinance concerning the Sewage Works Revenue Bond of 1999. This ordinance states that the utility shall establish a Sinking Fund and a Debt Reserve Fund. The Town did not establish a Sinking Fund. The Town also has not maintained a sufficient balance in the Debt Reserve Fund to meet the Reserve Requirements of the ordinance. Failure to maintain these funds as stated in their ordinance may result in an inability to meet bond payment obligations. It is recommended that the Utility comply with the Sewage Works Revenue Bond ordinance.

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)

UTILITY RECEIPTS TAX RETURNS

The Water Utility did not file the annual Utility Receipts Tax Returns for 2005 and 2006 to the Indiana Department of Revenue during the audit period. The Water Utility filed the returns on April 26, 2007.

A unit who used a taxable year that ends on December 31 shall file the unit's annual return on or before April 15 of the immediately succeeding year. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NEW RICHMOND
EXIT CONFERENCE

The contents of this report were discussed on May 2, 2007 with Janet Brown, Clerk-Treasurer; Kathy Peevler, President of the Town Council; and Alaathea Foust, Deputy Clerk-Treasurer. The officials concurred with our findings.