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

EXAMINATION REPORT
OF

TOWN OF MILFORD
(FINAL REPORT)
DECATUR COUNTY, INDIANA

January 1, 2006 to August 3, 2007

FILED
11/14/2007

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OFFICIALS

Office	Official	Term
Clerk-Treasurer	Theresa R. Reed	01-06-05 to 08-03-07
President of the Town Council	Janice Dykes	01-01-06 to 08-03-07

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MILFORD, DECATUR COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Milford (Town), for the period of January 1, 2006 to August 3, 2007. 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.

As more fully described in Note 6, the Town of Milford (a Municipal Corporation) was officially dissolved on August 3, 2007. All assets of the Town became the property of Decatur County.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the year ended December 31, 2006, and the period ended August 3, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 3, 2007

TOWN OF MILFORD
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Year Ended December 31, 2006 and The Period Ended August 3, 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	$ 1,938	$ 14,281	$ 11,798	$ 4,421
Motor Vehicle Highway	6,714	7,143	5,747	8,110
Local Road and Street	492	1,186	248	1,430
Cumulative Capital Improvement	3,009	432	-	3,441
EDIT	4,812	902	-	5,714
Totals	$ 16,965	$ 23,944	$ 17,793	$ 23,116

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 08-03-07
Governmental Funds:				
General	$ 4,421	$ 6,108	$ 5,518	$ 5,011
Motor Vehicle Highway	8,110	3,243	933	10,420
Local Road and Street	1,430	678	563	1,545
Cumulative Capital Improvement	3,441	200	-	3,641
EDIT	5,714	308	-	6,022
Totals	$ 23,116	$ 10,537	$ 7,014	$ 26,639

The accompanying notes are an integral part of the financial information.

TOWN OF MILFORD
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, 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.

Note 6. Dissolution of Municipal Corporation

On June 4, 2007, the Board of Commissioners of Decatur County adopted Ordinance 2007-7, an ordinance dissolving the Incorporated Town of Milford. The dissolution took effect 60 days after the adoption of the ordinance which was on August 3, 2007.

On October 2, 2007, the Town's Fifth Third Bank account was closed and the amount of $26,639.32 was transferred to the Decatur County Auditor. Titles to all other assets of the Town have been transferred to Decatur County all in accordance with Indiana Code 36-5-1.1-10.6(g).

Governmental services, formerly provided by the Town, such as police protection, maintenance of roads and streets, and economic development are now the responsibility of Decatur County. Services for fire protection will be assumed by the Clay Township Trustee.

TOWN OF MILFORD
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

As noted in the prior two reports, the Town did not comply with the directives of the Internal Revenue Service by not issuing W-2s in 2006. The Town did not issue a Form 1099 for a contractual employee who received payments from the Town exceeding $600. Additionally, the Town did not issue Form 941 for 2006.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 MILFORD
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2007, with Theresa R. Reed, Clerk-Treasurer. The official concurred with our finding.