

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

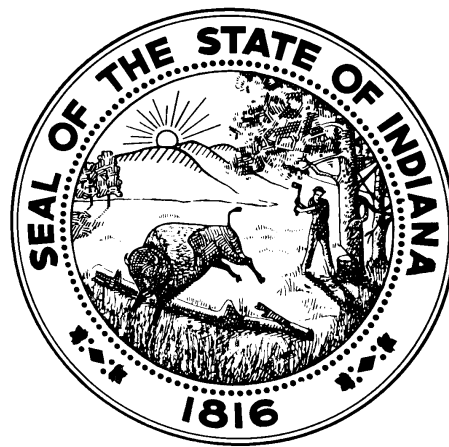
EXAMINATION REPORT

OF

TOWN OF NAPOLEON

RIPLEY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Karen Rohlfing

01-01-04 to 12-31-11

President of the
Town Council

Tim Brancamp

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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 NAPOLEON, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Napoleon (Town), for the period of January 1, 2006 to December 31, 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.

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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 6, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 22,490	\$ 20,351	\$ 22,935	\$ 19,906
Motor Vehicle Highway	9,910	8,719	7,480	11,149
Local Road and Street	3,155	1,261	1,261	3,155
Riverboat	45,538	25,239	7,100	63,677
Rainy Day	495	-	-	495
CEDIT	5,824	1,408	168	7,064
Cumulative Capital Improvement	-	850	850	-
Sanitation	8,219	11,592	9,827	9,984
Storm Sewer Study	-	20,500	18,000	2,500
Proprietary Funds:				
Wastewater Utility - Operating	77,801	41,136	56,646	62,291
Gas Utility - Operating	48,042	165,083	175,741	37,384
Gas Utility - Customer Deposit	3,555	1,500	400	4,655
Fiduciary Fund:				
Payroll	692	17,762	17,751	703
Totals	<u>\$ 225,721</u>	<u>\$ 315,401</u>	<u>\$ 318,159</u>	<u>\$ 222,963</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 19,906	\$ 18,719	\$ 22,382	\$ 16,243
Motor Vehicle Highway	11,149	8,539	5,763	13,925
Local Road and Street	3,155	1,268	1,832	2,591
Riverboat	63,677	22,721	742	85,656
Rainy Day	495	170	-	665
CEDIT	7,064	1,389	167	8,286
Cumulative Capital Improvement	-	836	836	-
Sanitation	9,984	11,648	10,890	10,742
Storm Sewer Study	2,500	13,500	16,000	-
Municipal Building	-	40,000	-	40,000
Proprietary Funds:				
Wastewater Utility - Operating	62,291	39,954	48,187	54,058
Gas Utility - Operating	37,384	134,057	131,399	40,042
Gas Utility - Customer Deposit	4,655	350	5,005	-
Fiduciary Fund:				
Payroll	703	17,762	17,762	703
Totals	<u>\$ 222,963</u>	<u>\$ 310,913</u>	<u>\$ 260,965</u>	<u>\$ 272,911</u>

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

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, highway and streets, wastewater, sanitation, public improvements, 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. Gas Utility

The Town Council adopted Ordinance 2007-3, to sell the Gas Utility to the Town of Osgood. The Town of Osgood purchased the utility for one dollar. A total of 120 customers residing within the Town of Napoleon and its surrounding area were transferred to the Town of Osgood. Meter deposits were fully refunded to all Town of Napoleon customers.

TOWN OF NAPOLEON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 394,029
Improvements other than buildings	61,160
Machinery and equipment	<u>9,640</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 464,829</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 1,265
Improvements other than buildings	<u>968,769</u>
 Total business-type activities capital assets	 <u>\$ 970,034</u>

TOWN OF NAPOLEON
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2008, with Karen Rohlfing, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.