

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

EXAMINATION REPORT

OF

TOWN OF SHERIDAN

HAMILTON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
09/22/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie J. Pearson	01-01-04 to 12-31-07
President of the Town Council	John Snethen	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 SHERIDAN, HAMILTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Sheridan (Town), for the period of January 1, 2004 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, 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 14, 2006

TOWN OF SHERIDAN  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, TRUST, 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	\$ 594,001	\$ 1,306,836	\$ 1,517,180	\$ 383,657
Motor Vehicle Highway	21,438	330,721	289,918	62,241
Local Road and Street	23,802	33,974	30,478	27,298
Law Enforcement Continuing Education	419	5,697	2,000	4,116
Police Reserve Donation	1,138	-	-	1,138
EMS Equipment and Replacement	176,290	40,480	-	216,770
EMT and Fire Training	26,270	1,812	-	28,082
Ambulance Donation	15,808	-	-	15,808
Legacy Fund Grant	3,237	-	3,237	-
Sheridan Revitalization	12,217	-	-	12,217
Disaster Relief	323	-	-	323
Special Equipment	5,789	-	3,600	2,189
Fire Building and Accessories Donation	127	-	-	127
Police Vehicle Donation	27	300	-	327
Build Indiana Grant - Town	10,833	-	-	10,833
Build Indiana Grant - Military Park	671	150	-	821
Brownsfields Grant	630	-	-	630
Lilly Grant	38,099	372	21,800	16,671
St. V's Micro Donation	393	-	-	393
St. V's Micro Mental Health Donation	14,931	-	7,962	6,969
Biddle Park Equipment and Improvement	2,544	49,980	43,747	8,777
Community Center Donation	2,301	-	1,801	500
Harvest Moon Festival	7,192	5,900	12,637	455
Police Canine Donation	3,572	100	487	3,185
Drug and Narcotic Enforcement	530	2,096	472	2,154
Fire Department Donation	25,000	64,458	75,328	14,130
Tax Increment Finance	-	54,474	36,467	18,007
Riverboat	15,935	15,890	15,935	15,890
Fire Truck Lease	92	-	-	92
Stormwater Bond and Redemption	(5,743)	108,022	83,940	18,339
Cumulative Capital Improvement	4,859	9,404	-	14,263
Cumulative Building and Fire Fighting Equipment	40,663	12,602	11,707	41,558
Cumulative Capital Development	165,842	18,982	19,163	165,661
<b>Proprietary Funds:</b>				
Water Utility - Operating	224,998	858,372	854,835	228,535
Water Utility - Bond and Interest	22,731	94,114	94,193	22,652
Water Utility - Reserve	104,970	1,049	928	105,091
Water Utility - Construction	1,043	4	-	1,047
Wastewater Utility - Operating	141,800	423,216	438,588	126,428
Wastewater Utility - Bond and Interest	43,788	161,817	164,362	41,243
Wastewater Utility - Reserve	239,127	9,739	1,514	247,352
<b>Trust Funds:</b>				
Biddle Memorial Park and Recreation	1,547	32,140	32,592	1,095
Fire Truck Donation	212	-	-	212
Children's Christmas Donation	2,041	1,697	3,206	532
Deferred Compensation	253,942	73,530	33,558	293,914
<b>Fiduciary Funds:</b>				
Payroll	1,249	1,228,867	1,228,414	1,702
Levy Excess	14,417	-	14,417	-
<b>Totals</b>	<u>\$ 2,261,095</u>	<u>\$ 4,946,795</u>	<u>\$ 5,044,466</u>	<u>\$ 2,163,424</u>

The accompanying notes are an integral part of the schedules.

TOWN OF SHERIDAN  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, TRUST, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005  
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 383,657	\$ 1,322,678	\$ 1,354,078	\$ 352,257
Motor Vehicle Highway	62,241	259,001	252,665	68,577
Local Road and Street	27,298	35,106	37,487	24,917
Law Enforcement Continuing Education	4,116	3,992	864	7,244
Police Reserve Donation	1,138	-	-	1,138
EMS Equipment and Replacement	216,770	51,225	-	267,995
EMT and Fire Training	28,082	2,269	-	30,351
Ambulance Donation	15,808	-	-	15,808
Sheridan Revitalization	12,217	-	-	12,217
Disaster Relief	323	-	-	323
Special Equipment	2,189	-	2,189	-
Fire Building and Accessories Donation	127	-	-	127
Police Vehicle Donation	327	-	-	327
Build Indiana Grant - Town	10,833	-	-	10,833
Build Indiana Grant - Military Park	821	-	191	630
Brownsfields Grant	630	-	-	630
Lilly Grant	16,671	2,778	8,753	10,696
St. V's Micro Donation	393	-	393	-
St. V's Micro Mental Health Donation	6,969	-	6,098	871
Biddle Park Equipment and Improvement	8,777	79,965	45,335	43,407
Community Center Donation	500	3,300	3,300	500
Harvest Moon Festival	455	12,705	10,775	2,385
Police Canine Donation	3,185	-	40	3,145
Drug and Narcotic Enforcement	2,154	5,485	3,371	4,268
Fire Department Donation	14,130	-	-	14,130
Tax Increment Finance	18,007	33,736	51,184	559
Riverboat	15,890	15,890	15,890	15,890
Fire Truck Lease	92	-	-	92
Stormwater Bond and Redemption	18,339	101,700	88,800	31,239
Cumulative Capital Improvement	14,263	3,179	14,263	3,179
Cumulative Building and Fire Fighting Equipment	41,558	11,750	-	53,308
Cumulative Capital Development	165,661	17,699	25,790	157,570
Lamong Road	-	201,794	93,493	108,301
Plan Review	-	10,560	5,157	5,403
Construction Inspection	-	35,000	31,191	3,809
Proprietary Funds:				
Water Utility - Operating	228,535	2,566,740	667,080	2,128,195
Water Utility - Bond and Interest	22,652	94,192	92,883	23,961
Water Utility - Reserve	105,091	1,939	1,588	105,442
Water Utility - Construction	1,047	3	-	1,050
Wastewater Utility - Operating	126,428	2,706,806	689,879	2,143,355
Wastewater Utility - Bond and Interest	41,243	164,512	163,638	42,117
Wastewater Utility - Reserve	247,352	12,374	2,880	256,846
Trust Funds:				
Biddle Memorial Park and Recreation	1,095	25,717	26,384	428
Fire Truck Donation	212	-	-	212
Children's Christmas Donation	532	1,935	1,116	1,351
Deferred Compensation	293,914	54,654	7,600	340,968
Fiduciary Funds:				
Payroll	1,702	1,133,327	1,133,534	1,495
Levy Excess	-	13,394	-	13,394
Totals	<u>\$ 2,163,424</u>	<u>\$ 8,985,405</u>	<u>\$ 4,837,889</u>	<u>\$ 6,310,940</u>

The accompanying notes are an integral part of the schedules.

TOWN OF SHERIDAN  
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. 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. Long-Term Debt

The Town has entered into various debts such as bonds for stormwater collection system, capital leases for various machinery and equipment, revenue bonds for utility construction projects, and bond anticipation notes for the expansion of the utilities. The outstanding principal at December 31, 2005, was \$895,000, \$47,568, \$2,530,000, and \$4,030,000, respectively.

TOWN OF SHERIDAN  
EXAMINATION RESULT AND COMMENT

OVERPAYMENT COLLECTIONS

Overpayments of \$10,275 were made to Wells Fargo Financial Leasing, Inc. Refunds have not been received as of August 9, 2006.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SHERIDAN  
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2006, with John Snethen, President of the Town Council; and Connie J. Pearson, Clerk-Treasurer. The officials concurred with our finding.