

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

EXAMINATION REPORT
OF
TOWN OF PINES
PORTER COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/20/2009

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
Examination Results and Comments: Capital Assets Records	6
Prescribed Forms	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Sandra Hall

01-01-06 to 12-31-11

President of the
Town Council

Vanessa D. Sick
Cathi Murray

01-01-06 to 06-30-08
07-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PINES, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Pines (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.

STATE BOARD OF ACCOUNTS

December 20, 2008

TOWN OF PINES
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 16,925	\$ 113,905	\$ 107,599	\$ 23,231
Motor Vehicle Highway	16,746	38,016	33,348	21,414
Local Road and Street	26,403	14,850	-	41,253
Rainy Day Fund	32,996	-	16,498	16,498
Donation	-	11,625	11,175	450
Cumulative Capital Improvement	5,143	3,444	5,400	3,187
County Economic Development Income Tax (CEDIT)	60,984	68,829	27,756	102,057
Local Major Moves	-	99,242	-	99,242
Fiduciary Fund:				
Excess Levy	758	-	-	758
Totals	<u>\$ 159,955</u>	<u>\$ 349,911</u>	<u>\$ 201,776</u>	<u>\$ 308,090</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 23,231	\$ 86,091	\$ 104,721	\$ 4,601
Motor Vehicle Highway	21,414	30,750	26,099	26,065
Local Road and Street	41,253	13,543	-	54,796
Rainy Day	16,498	25,671	358	41,811
Donation	450	7,015	5,024	2,441
Cumulative Capital Improvement	3,187	2,803	2,417	3,573
County Economic Development Income Tax (CEDIT)	102,057	50,625	12,959	139,723
Local Major Moves	99,242	-	41,809	57,433
Fiduciary Fund:				
Excess Levy	758	-	-	758
Totals	<u>\$ 308,090</u>	<u>\$ 216,498</u>	<u>\$ 193,387</u>	<u>\$ 331,201</u>

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

TOWN OF PINES
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, 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.

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. Subsequent Event

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2005 through 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2005 through 2007. The late billing has delayed timely property tax distributions to the Town. The 2007 tax bills were not sent out until December 2007, with a due date of January 11, 2008. In May, the Town received the final 2007 tax distribution from the County.

TOWN OF PINES
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Town does not maintain a capital asset inventory. The Town does not have a written capitalization policy.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PRESCRIBED FORMS

The Town Maintains investments in certificates of deposit, but the Town is not using the prescribed General Form 350, Investment Register.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF PINES
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2008, with Sandra Hall, Clerk-Treasurer; and Cathi Murray, President of the Town Council. The officials concurred with our findings.