

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

EXAMINATION REPORT

OF

TOWN OF ZIONSVILLE

BOONE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
12/09/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	John Yeo	01-01-08 to 12-31-11
President of the Town Council	Matthew Price	01-01-08 to 12-31-09
Town Manager	Edward Mitro	01-01-08 to 12-31-09
Wastewater Utility Superintendent	Dennis Mackey	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ZIONSVILLE, BOONE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Zionsville (Town), for the period of January 1, 2008 to December 31, 2008. 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 year ended December 31, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 27, 2009

TOWN OF ZIONSVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 2,920,081	\$ 4,415,147	\$ 3,500,112	\$ 3,835,116
Motor Vehicle Highway	603,117	1,872,963	1,891,863	584,217
Local Road and Street	75,350	70,350	7,081	138,619
Law Enforcement Continuing Education	11,726	17,623	18,858	10,491
Park and Recreation	395,312	931,473	784,409	542,376
Park Nonreverting - Operating	34,073	9,191	7,432	35,832
Park Nonreverting	452,204	421,181	17,541	855,844
Donation	58,405	3,262	1,415	60,252
Record Perpetuation	5,008	-	331	4,677
Drug Task Force	26,918	800	-	27,718
Fire Territory - Operating	881,474	3,240,579	2,694,771	1,427,282
Fire Territory - Equipment	881,569	1,921,535	349,352	2,453,752
Rainy Day	524,890	895,435	535,431	884,894
Food and Beverage	251,448	168,445	99,177	320,716
Park Impact Fee	240,319	113,582	-	353,901
Boone County Economic Development	100	2,150	1,750	500
Road Impact Fee	27,552	105,825	-	133,377
Golf Course Operating	3,913	367,735	360,025	11,623
Child Passenger Safety	89	3,175	2,064	1,200
IN Coalition to Reduce Underage Drinking	3,622	-	-	3,622
DUI Task Force	577	-	-	577
Operation Pull Over	1,805	-	-	1,805
TIF District	789,690	1,707,157	733,189	1,763,658
Town Court	8,911	129,463	117,592	20,782
Debt Service	790,058	1,268,233	1,404,415	653,876
Cumulative Capital Improvement	36,736	28,477	30,000	35,213
Town Hall Improvement	206,429	-	77,777	128,652
Redevelopment District Construction	744,472	-	744,472	-
Park and Recreation Improvement	3,073,322	2,040,970	4,014,281	1,100,011
Cumulative Capital Development	457,392	308,436	474,032	291,796
Cobblestone Lake Road Improvement	200,000	-	-	200,000
Willow Road Construction	755,773	8,008	432,432	331,349
Redevelopment Authority	43,121	126,641	118,722	51,040
Lease Rental 2008 Redevelopment Construction	-	230,855	-	230,855
Lease Rental 2008 Redevelopment 106th Street	-	5,555,962	4,836,158	719,804
Levy Excess	103,978	-	103,978	-
Proprietary Funds:				
Wastewater Utility - Operating	1,262,351	1,772,493	1,985,649	1,049,195
Wastewater Utility - Bond and Interest	11,105	241,104	240,235	11,974
Wastewater Utility - Availability Fees	578,983	319,547	3,200	895,330
Wastewater Utility - Capital Interest BAN 2006	302,998	28,044	318,188	12,854
Wastewater Utility - Improvement	19,499	58,570	76,359	1,710
Trash/Recycling	26,603	365,107	338,994	52,716
Fiduciary Funds:				
CJI/Byrne Grant	-	5,000	5,000	-
Payroll	18,475	4,528,481	4,505,076	41,880
Totals	\$ 16,829,448	\$ 33,282,999	\$ 30,831,361	\$ 19,281,086

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

TOWN OF ZIONSVILLE
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. 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 ZIONSVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

TOWN OF ZIONSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 7,500,136
Infrastructure	17,142,517
Buildings	9,320,939
Improvements other than buildings	3,929,671
Machinery and equipment	33,319,295
Construction in progress	<u>23,901</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>71,236,459</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	233,815
Infrastructure	14,263,706
Buildings	2,874,467
Improvements other than buildings	18,277,888
Machinery and equipment	<u>190,872</u>
 Total Wastewater Utility capital assets	 <u>35,840,748</u>
 Total business-type activities capital assets	 \$ <u>35,840,748</u>

TOWN OF ZIONSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Zionsville Municipal Building Corporation - First Mortgage Bonds, Series 1999	\$ 2,315,000	\$ 282,000
Zionsville Town Hall Building Corporation - Lease Rental Bonds, Series 2003	1,870,000	223,500
Notes and Loans Payable:		
Redevelopment Bond Anticipation Notes of 2006	900,000	918,000
Bonds Payable:		
General obligation bonds:		
Park District Bonds of 2007	5,545,000	526,376
General Obligation Bonds of 2005	1,890,000	217,515
Economic Development Lease Rental Bonds of 2003	1,175,000	119,195
Economic Development Lease Rental Bonds of 2008	<u>5,500,000</u>	<u>227,465</u>
 Total governmental activities debt	 <u>\$ 19,195,000</u>	 <u>\$ 2,514,051</u>
 Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Wastewater Bond Anticipation Notes of 2006	<u>7,475,000</u>	<u>317,688</u>
 Total business-type activities debt:	 <u>\$ 7,475,000</u>	 <u>\$ 317,688</u>

TOWN OF ZIONSVILLE
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the Debt Service Fund expenditures exceeded budgeted appropriations by \$3,000.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CONDITION OF RECORDS - Town

Financial records presented for examination were incomplete and not reflective of the activity of the Town Court Fund. The bank account balance reconciles with the Fund balance; however, the detail of the Fund presented did not reconcile to the amount in the Fund balance.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 ZIONSVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2009, with John Yeo, Clerk-Treasurer.