

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

EXAMINATION REPORT
OF
TOWN OF STILESVILLE
HENDRICKS COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/29/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Dana Carter Polly Carter	01-01-07 to 12-31-07 01-01-08 to 12-31-09
President of the Town Council	Barbara Childress Garrett Reitzel	01-01-07 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF STILESVILLE, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Stilesville (Town), for the period of January 1, 2007 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 years ended December 31, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It 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 3, 2009

TOWN OF STILESVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 25,292	\$ 65,201	\$ 67,307	\$ 23,186
Motor Vehicle Highway	19,088	24,345	24,933	18,500
Local Road and Street	16,927	4,267	9,459	11,735
Law Enforcement Continuing Education	1,540	833	1,137	1,236
Riverboat	3,070	1,646	800	3,916
Police Donation	55	8,990	8,937	108
Cumulative Capital Improvement	692	1,904	2,110	486
Cumulative Capital Development	-	-	-	-
Economic Development Income Tax	16,975	6,353	4,201	19,127
Community Center	1,000	450	288	1,162
Proprietary Funds:				
Wastewater Utility - Operating	68,755	78,305	76,570	70,490
Wastewater Utility - Bond and Interest	47,713	7,200	-	54,913
Wastewater Utility - Debt Reserve	17,174	3,740	-	20,914
Totals	<u>\$ 218,281</u>	<u>\$ 203,234</u>	<u>\$ 195,742</u>	<u>\$ 225,773</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 23,186	\$ 50,063	\$ 55,584	\$ 17,665
Motor Vehicle Highway	18,500	15,657	12,164	21,993
Local Road and Street	11,735	4,097	1,203	14,629
Law Enforcement Continuing Education	1,236	50	1,012	274
Riverboat	3,916	1,637	800	4,753
Police Donation	108	2,200	1,290	1,018
Cumulative Capital Improvement	486	1,202	1,688	-
Cumulative Capital Development	-	1,118	-	1,118
Economic Development Income Tax	19,127	5,988	6,108	19,007
Community Center	1,162	470	-	1,632
Proprietary Funds:				
Wastewater Utility - Operating	70,490	79,857	94,168	56,179
Wastewater Utility - Bond and Interest	54,913	7,200	-	62,113
Wastewater Utility - Debt Reserve	20,914	3,738	-	24,652
Totals	<u>\$ 225,773</u>	<u>\$ 173,277</u>	<u>\$ 174,017</u>	<u>\$ 225,033</u>

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

TOWN OF STILESVILLE
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, wastewater treatment, 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 STILESVILLE
 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:		
Notes and loans payable - Town Hall	\$ 23,681	\$ 5,060
Notes and loans payable - Police vehicle	<u>3,839</u>	<u>4,041</u>
Total governmental activities debt	<u>\$ 27,520</u>	<u>\$ 9,101</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Sewage works	<u>\$ 468,000</u>	<u>\$ 31,400</u>
Total Wastewater Utility	<u>468,000</u>	<u>31,400</u>
Total business-type activities debt	<u>\$ 468,000</u>	<u>\$ 31,400</u>

TOWN OF STILESVILLE
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of employees was not certified to the County Treasurer.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2007	\$ 14,465
Motor Vehicle Highway	2007	11,333
Cumulative Capital Improvement	2008	536
General	2008	3,117
Motor Vehicle Highway	2008	748

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."

DISTRIBUTION OF GROSS REVENUES TO THE VARIOUS FUNDS

Gross revenues were not distributed to the various utility funds in accordance with Revenue Bond Ordinance 97-5.

The Bond and Interest Account is to be used for the payment of the annual debt service payment for the 1997 Sewage Works Revenue Bond. One-twelfth of the next succeeding principal and interest payment should be transferred into the Bond and Interest Account monthly and, when due, the debt service payment should be paid from this account. At December 31, 2008, the balance in the Bond and Interest Account should be \$18,317. The actual balance was \$62,113 at December 31, 2008, overfunded by \$43,796.

TOWN OF STILESVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

The Debt Service Reserve Account should equal, within 10 years of the date of delivery of bond, a sum equal to the average annual debt service. The bond was dated 1997. As of December 31, 2008, the Debt Service Reserve Account should be fully funded. The average annual debt service equaled \$31,112 when the ordinance was adopted in 1997. The balance in the Debt Service Reserve account should have equaled this amount by December 31, 2007. The balance in the account at December 31, 2008, was \$24,652, underfunded by \$6,460.

After meeting the above requirements, any excess revenues may be transferred or credited to the Sewage Works Improvement Fund. Moneys in the fund can be used for improvements, replacements, additions and extensions to the sewage works. Additionally, moneys in this fund can be transferred to the Bond and Interest to prevent default in payment of principal and interest or Debt Service Reserve Accounts to eliminate a deficiency in minimum balance of the account.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder:

Polly Carter - Clerk-Treasurer

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

TOWN OF STILESVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2009, with Polly Carter, Clerk-Treasurer; and Garrett Reitzel, President of the Town Council. The officials concurred with our findings.