

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

EXAMINATION REPORT  
OF  
TOWN OF SWEETSER  
GRANT COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
12/30/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	V. Jill Johnson	12-16-04 to 12-31-11
President of the Town Council	Charles V. Briede Mary Asher	01-01-07 to 12-31-07 01-01-08 to 12-31-09



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SWEETSER, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Sweetser (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 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

November 24, 2009

TOWN OF SWEETSER  
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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 28,424	\$ 187,971	\$ 198,425	\$ 17,970
Motor Vehicle Highway	17,891	49,275	52,458	14,708
Local Road and Street	3,065	8,638	2,000	9,703
Park and Recreation	11,567	3,031	1,646	12,952
Law Enforcement Continuing Education	2,462	5,597	4,136	3,923
Park Nonreverting	2,105	13	-	2,118
Levy Excess	1,505	-	1,505	-
Rainy Day	-	2,283	-	2,283
Cumulative Capital Improvement	2,599	3,182	-	5,781
Cumulative Capital Development	45,356	9,720	-	55,076
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	279,762	463,721	277,184	466,299
Wastewater Utility - Bond and Interest	1,912	52,250	51,615	2,547
Wastewater Utility - Debt Service Reserve	79,607	-	34,607	45,000
Wastewater Utility - Reserve	22,348	-	-	22,348
Wastewater Utility - Improvement	54,886	-	-	54,886
<b>Fiduciary Funds:</b>				
Area Planning Commission Escrow	11,281	233	-	11,514
Payroll	2,573	99,780	99,796	2,557
<b>Totals</b>	<b>\$ 567,343</b>	<b>\$ 885,694</b>	<b>\$ 723,372</b>	<b>\$ 729,665</b>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 17,970	\$ 161,902	\$ 160,487	\$ 19,385
Motor Vehicle Highway	14,708	45,541	35,373	24,876
Local Road and Street	9,703	8,012	14,123	3,592
Park and Recreation	12,952	557	6,302	7,207
Law Enforcement Continuing Education	3,923	2,154	4,025	2,052
Park Nonreverting	2,118	13	-	2,131
Rainy Day	2,283	5	-	2,288
Cumulative Capital Improvement	5,781	2,946	1,530	7,197
Cumulative Capital Development	55,076	10,130	3,500	61,706
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	466,299	362,797	273,263	555,833
Wastewater Utility - Bond and Interest	2,547	40,359	39,853	3,053
Wastewater Utility - Debt Service Reserve	45,000	-	-	45,000
Wastewater Utility - Reserve	22,348	-	-	22,348
Wastewater Utility - Improvement	54,886	-	-	54,886
<b>Fiduciary Funds:</b>				
Area Planning Commission Escrow	11,514	195	-	11,709
Payroll	2,557	93,372	93,307	2,622
<b>Totals</b>	<b>\$ 729,665</b>	<b>\$ 727,983</b>	<b>\$ 631,763</b>	<b>\$ 825,885</b>

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

TOWN OF SWEETSER  
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, highways and streets, health and social services, culture and recreation, general administrative, and wastewater 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 SWEETSER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 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.

Retroactive reporting of general infrastructure is not required. General infrastructure assets completed in current and future years will be reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 10,847
Improvements other than buildings	1,724,150
Machinery and equipment	<u>136,155</u>
Total Wastewater Utility capital assets	<u>\$ 1,871,152</u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
2003 Sewage improvement project	\$ 430,000	\$ 9,566

TOWN OF SWEETSER  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Capital asset records for Town assets were not maintained. A similar comment appeared in prior Report B31068.

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 Asset Ledger. 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)

SUPPORTING DOCUMENTATION

During 2007 and 2008, cash advances totaling \$200 and \$300, respectively, were made to police officers for their attendance at national conferences. The claims were not supported by any documentation, such as receipts, invoices, and other public records.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SWEETSER  
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2009, with V. Jill Johnson, Clerk-Treasurer; Mary Asher, President of the Town Council; and Howard Schick, Town Council member. The officials concurred with our findings.