

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

EXAMINATION REPORT  
OF  
TOWN OF SHAMROCK LAKES  
BLACKFORD 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	Susan Scott	01-01-04 to 12-31-11
President of the Town Council	Christopher Scott	01-01-07 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 SHAMROCK LAKES, BLACKFORD COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Shamrock Lakes (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 12, 2009

TOWN OF SHAMROCK LAKES  
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	\$ 27,367	\$ 24,566	\$ 34,136	\$ 17,797
Motor Vehicle Highway	18,261	18,985	11,741	25,505
Local Road and Street	3,084	1,478	-	4,562
Riverboat	3,938	1,059	-	4,997
Rainy Day	12,569	309	-	12,878
Cumulative Capital Improvement	6,824	590	-	7,414
County Economic Development Income Tax	5,060	2,097	1,800	5,357
Levy Excess	335	-	-	335
Proprietary Funds:				
Wastewater Utility - Operating	29,875	63,374	43,416	49,833
Wastewater Utility - Bond and Interest	5,288	6,396	6,297	5,387
Wastewater Utility - Reserve	6,500	-	-	6,500
Wastewater Utility - Improvement	4,971	780	-	5,751
Totals	<u>\$ 124,072</u>	<u>\$ 119,634</u>	<u>\$ 97,390</u>	<u>\$ 146,316</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 17,797	\$ 33,877	\$ 29,714	\$ 21,960
Motor Vehicle Highway	25,505	22,656	9,735	38,426
Local Road and Street	4,562	1,385	2,000	3,947
Riverboat	4,997	1,054	-	6,051
Rainy Day	12,878	256	-	13,134
Cumulative Capital Improvement	7,414	546	-	7,960
County Economic Development Income Tax	5,357	2,426	3,000	4,783
Levy Excess	335	-	-	335
Proprietary Funds:				
Wastewater Utility - Operating	49,833	54,579	47,288	57,124
Wastewater Utility - Bond and Interest	5,387	6,252	6,146	5,493
Wastewater Utility - Reserve	6,500	-	-	6,500
Wastewater Utility - Improvement	5,751	780	-	6,531
Totals	<u>\$ 146,316</u>	<u>\$ 123,811</u>	<u>\$ 97,883</u>	<u>\$ 172,244</u>

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

TOWN OF SHAMROCK LAKES  
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 SHAMROCK LAKES  
 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.

Retroactive reporting of general infrastructure assets will occur in the future.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 9,092
Machinery and equipment	<u>2,351</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 11,443</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 6,000
Capital assets, being depreciated:	
Buildings	306,299
Improvements other than buildings	437,076
Machinery and equipment	<u>40,729</u>
 Total Business-type activities	 <u>\$ 790,104</u>

TOWN OF SHAMROCK LAKES  
 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
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Construction of Sewer Works Project	\$ 60,000	\$ 6,000

TOWN OF SHAMROCK LAKES  
EXAMINATION RESULTS AND COMMENTS

TRANSACTION RECORDING

The Town Board approved the sale of its share of the old fire tanker for \$320.00 with the proceeds to be held by the Licking Township Trustee to pay bills for the purchase of new fire equipment with an accounting being sent to the Town Clerk-Treasurer.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PAYROLL DEDUCTIONS AND REPORTING

Our review of payroll deductions and reporting disclosed the following:

1. W-2's were not issued nor were FICA taxes withheld from Town Council members' salaries.
2. No FICA agreement was available for review; therefore, it could not be determined if Town Council Members were subject to FICA taxes.
3. A 1099-Misc was issued for the Town Council President instead of the required W-2.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SHAMROCK LAKES  
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2009, with Susan Scott, Clerk-Treasurer.