

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

EXAMINATION REPORT
OF
TOWN OF SELMA
DELAWARE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/10/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Peggy Selvey	01-01-08 to 12-31-11
President of the Town Council	Danny Cox	01-01-08 to 12-31-09
	W. Greg Stinefield	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SELMA, DELAWARE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Selma (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 28, 2010

TOWN OF SELMA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 58,101	\$ 78,097	\$ 119,566	\$ 16,632
Motor Vehicle Highway	33,385	37,938	50,130	21,193
Local Road and Street	10,748	7,931	13,427	5,252
Law Enforcement Continuing Education	1,433	102	718	817
Riverboat	13,714	5,520	-	19,234
Rainy Day	725	862	-	1,587
Planning Commission	7,745	475	106	8,114
Cumulative Capital Improvement	6,255	2,862	1,894	7,223
Cumulative Capital Development	75	28,755	7,532	21,298
Totals	<u>\$ 132,181</u>	<u>\$ 162,542</u>	<u>\$ 193,373</u>	<u>\$ 101,350</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 16,632	\$ 109,129	\$ 114,158	\$ 11,603
Motor Vehicle Highway	21,193	42,316	33,100	30,409
Local Road and Street	5,252	7,364	6,845	5,771
Law Enforcement Continuing Education	817	280	382	715
Riverboat	19,234	5,507	5,475	19,266
Rainy Day	1,587	11	-	1,598
Planning Commission	8,114	459	2,942	5,631
Cumulative Capital Improvement	7,223	2,698	3,679	6,242
Cumulative Capital Development	21,298	4,938	7,352	18,884
Totals	<u>\$ 101,350</u>	<u>\$ 172,702</u>	<u>\$ 173,933</u>	<u>\$ 100,119</u>

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

TOWN OF SELMA
DELAWARE COUNTY
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.

TOWN OF SELMA
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The 2008 annual report was completed in May 2009 and the 2009 annual report was completed in September 2010. Neither annual report was filed with the State Examiner.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

IC 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CAPITAL ASSET RECORDS

As reported in prior Reports B26946 and B32971 and during the current examination period, a record of the Town's capital assets was not presented for examination.

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. 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)

FINANCE CHARGES

The Town incurred, and subsequently paid, finance charges for delinquent payment of vendor invoices during 2008.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit 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 SELMA
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Capital Development	2009	<u>\$ 2,200</u>

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."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

As reported in prior Reports B26946 and B32971 and during the current examination period, 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."

TOWN OF SELMA
EXIT CONFERENCE

The contents of this report were discussed on September 28, 2010, with Peggy Selvey, Clerk-Treasurer, and W. Greg Stinefield, President of the Town Council.