

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

EXAMINATION REPORT
OF
TOWN OF SHADELAND
TIPPECANOE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/06/2011

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Peggy VanSchepen

01-01-05 to 12-31-12

President of the
Town Council

Jeff Findlay

01-01-08 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 SHADELAND, TIPPECANOE COUNTY, INDIANA

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

November 9, 2010

TOWN OF SHADELAND
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	\$ 510,201	\$ 300,467	\$ 500,344	\$ 310,324
Motor Vehicle Highway	93,080	226,047	157,907	161,220
Local Road and Street	32,851	31,153	37,691	26,313
Cumulative Capital Improvement	33,991	5,470	-	39,461
Cumulative Capital Development	282,900	67,781	157,094	193,587
Tax Increment Financing	755,000	26,072	132,298	648,774
Economic Development Income Tax	50,620	65,158	-	115,778
Rainy Day	15,099	14,402	-	29,501
Levy Excess	28,316	10,759	-	39,075
Totals	<u>\$ 1,802,058</u>	<u>\$ 747,309</u>	<u>\$ 985,334</u>	<u>\$ 1,564,033</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 310,324	\$ 194,126	\$ 278,789	\$ 225,661
Motor Vehicle Highway	161,220	311,149	253,199	219,170
Local Road and Street	26,313	30,394	40,000	16,707
Cumulative Capital Improvement	39,461	5,158	-	44,619
Cumulative Capital Development	193,587	68,736	1,997	260,326
Tax Increment Financing	648,774	455,210	1,692	1,102,292
Economic Development Income Tax	115,778	65,588	-	181,366
Rainy Day	29,501	21,250	-	50,751
Levy Excess	39,075	-	-	39,075
Totals	<u>\$ 1,564,033</u>	<u>\$ 1,151,611</u>	<u>\$ 575,677</u>	<u>\$ 2,139,967</u>

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

TOWN OF SHADELAND
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, 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 SHADELAND
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORTS

Annual reports for 2008 and 2009 were not presented for examination. A similar comment appeared in prior Reports A94872, B18941, B12700, B24842, B27267 and B33689.

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 . . ."

CERTIFIED REPORT NOT FILED

The Town did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2008 or 2009.

IC 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

CAPITAL ASSET RECORDS

As stated in prior Reports B12700, B18941, B24842, B27267, and B33689, the Town does not have a record of capital assets.

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)

SERVICE AND TIME RECORDS

Employee time and attendance records were not maintained and presented for examination for all employees. The road superintendent and the park superintendent receive annual salaries of \$42,000 and \$37,000, respectively. The Town does not have stated work hours and no documentation of attendance or time worked for these employees was presented for examination.

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 SHADELAND
EXAMINATION RESULTS AND COMMENTS
(Continued)

INTEREST ON INVESTMENTS

The Town of Shadeland purchased numerous Certificates of Deposit from the TIF Fund. The interest earned on these CDs was automatically added to the principal and not recorded in the Town ledger. The interest earned on the CDs was \$21,456 in 2008 and \$14,012 in 2009.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF SHADELAND
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2010, with Peggy VanSchepen, Clerk-Treasurer, and David Whitehead, Council member. The officials concurred with our findings.