

**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, 2005 to December 31, 2006



**FILED**  
10/25/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Susan Scott

01-01-04 to 12-31-07

President of the Town Council

Chris Scott

01-01-05 to 12-31-07



**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, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 23, 2007

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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 30,472	\$ 23,949	\$ 29,894	\$ 24,527
Motor Vehicle Highway	4,834	38,211	29,397	13,648
Local Road and Street	6,637	1,499	6,500	1,636
Riverboat	2,122	1,059	300	2,881
Rainy Day	4,518	4,051	-	8,569
Cumulative Capital Improvement	5,705	519	-	6,224
County Economic Development Income Tax	8,542	1,825	7,500	2,867
Levy Excess	-	209	-	209
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	19,478	48,615	46,342	21,751
Wastewater Utility - Bond and Interest	4,709	5,616	5,497	4,828
Wastewater Utility - Reserve	6,500	-	-	6,500
Wastewater Utility - Improvement	3,411	780	-	4,191
<b>Totals</b>	<b>\$ 96,928</b>	<b>\$ 126,333</b>	<b>\$ 125,430</b>	<b>\$ 97,831</b>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 24,527	\$ 29,985	\$ 27,145	\$ 27,367
Motor Vehicle Highway	13,648	20,065	15,452	18,261
Local Road and Street	1,636	1,448	-	3,084
Riverboat	2,881	1,057	-	3,938
Rainy Day	8,569	4,000	-	12,569
Cumulative Capital Improvement	6,224	600	-	6,824
County Economic Development Income Tax	2,867	2,193	-	5,060
Levy Excess	209	335	209	335
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	21,751	57,445	49,321	29,875
Wastewater Utility - Bond and Interest	4,828	5,856	5,396	5,288
Wastewater Utility - Reserve	6,500	-	-	6,500
Wastewater Utility - Improvement	4,191	780	-	4,971
<b>Totals</b>	<b>\$ 97,831</b>	<b>\$ 123,764</b>	<b>\$ 97,523</b>	<b>\$ 124,072</b>

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, streets, 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 SHAMROCK LAKES  
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS AND REPORTING

Our review of payroll deductions and reporting disclosed the following:

1. The salary paid to the Clerk-Treasurer from the Town General Fund and salaries paid to Town Council members were reported on form 1099 rather than on form W-2.
2. FICA tax was only withheld and paid on the portion of the Clerk-Treasurer's salary that was paid from the Wastewater Utility. FICA tax was not withheld on any other salaries that were paid.
3. A FICA agreement was not available for review so it could not be determined which Town positions were covered and subject to FICA tax.

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)

UTILITY LATE FEES

Penalties for late payment of wastewater bills are being charged on the entire amount due, including any prior penalties charged.

It is our audit position that the 10% penalty on unpaid wastewater bills specified in Indiana Code 36-9-23-31 should be assessed one time and one time only. Subsequent billings should not include additional assessments on this penalty. (Cities and Towns Bulletin and Uniform Compliance Guidelines, March 1999)

TOWN OF SHAMROCK LAKES  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2007, with Susan Scott, Clerk-Treasurer.