

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

EXAMINATION REPORT

OF

TOWN OF SPRING LAKE

HANCOCK COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
06/19/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Claudetta Sue Dennemann	01-01-04 to 12-31-11
President of the Town Council	Mary Sweetland	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SPRING LAKE, HANCOCK COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Spring Lake (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 28, 2008

TOWN OF SPRING LAKE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 19,221	\$ 44,331	\$ 42,916	\$ 20,636
Motor Vehicle Highway	37,887	16,576	15,701	38,762
Local Road and Street	7,357	3,445	1,845	8,957
Law Enforcement Continuing Education	7	53	43	17
Rainy Day	1,780	-	-	1,780
Donation	480	25	252	253
Cumulative Capital Improvement	2,826	1,530	150	4,206
Cumulative Capital Development	4,296	650	21	4,925
Excess Levy	-	426	-	426
Totals	<u>\$ 73,854</u>	<u>\$ 67,036</u>	<u>\$ 60,928</u>	<u>\$ 79,962</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 20,636	\$ 47,863	\$ 35,620	\$ 32,879
Motor Vehicle Highway	38,762	16,774	7,700	47,836
Local Road and Street	8,957	3,542	5,000	7,499
Law Enforcement Continuing Education	17	-	-	17
Rainy Day	1,780	5,734	5,000	2,514
Donation	253	50	104	199
Cumulative Capital Improvement	4,206	920	4,525	601
Cumulative Capital Development	4,925	1,377	-	6,302
Excess Levy	426	-	-	426
Totals	<u>\$ 79,962</u>	<u>\$ 76,260</u>	<u>\$ 57,949</u>	<u>\$ 98,273</u>

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

TOWN OF SPRING LAKE  
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: 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 SPRING LAKE  
EXAMINATION RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. The Clerk-Treasurer did not complete monthly bank reconciliations.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TOWN OF SPRING LAKE  
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2008, with Claudetta Sue Dennemann, Clerk-Treasurer; and Mary Sweetland, President of the Town Council. The officials concurred with our finding.