

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF SALAMONIA

JAY COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

09/12/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie Southworth	01-01-04 to 12-31-07
President of the Town Council	Gloria Pfeifer	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SALAMONIA, JAY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Salamonina (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 14, 2006

TOWN OF TOWN OF SALAMONIA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 8,270	\$ 9,800	\$ 15,090	\$ 2,980
Motor Vehicle Highway	32,078	6,672	3,940	34,810
Local Road and Street	9,633	1,200	153	10,680
Park and Recreation	2,242	2	323	1,921
Riverboat Fund	-	996	-	996
Build Indiana	212	-	212	-
CDBG Grant	-	11,197	11,197	-
Cumulative Capital Improvement	3,122	590	1,116	2,596
Proprietary Funds:				
Wastewater Utility - Operating	28,120	27,358	31,567	23,911
Wastewater Utility - Bond and Interest	6,282	7,303	7,940	5,645
Wastewater Utility - Improvement	-	3,150	-	3,150
Totals	<u>\$ 89,959</u>	<u>\$ 68,268</u>	<u>\$ 71,538</u>	<u>\$ 86,689</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 2,980	\$ 10,952	\$ 12,318	\$ 1,614
Motor Vehicle Highway	34,810	12,310	9,615	37,505
Local Road and Street	10,680	1,187	1,749	10,118
Park and Recreation	1,921	150	380	1,691
Riverboat Fund	996	996	740	1,252
CDBG Grant	-	7,450	7,450	-
FEMA	-	7,660	7,660	-
Cumulative Capital Improvement	2,596	488	1,062	2,022
County Economic Development Income Tax	-	16,200	15,998	202
Proprietary Funds:				
Wastewater Utility - Operating	23,911	33,356	30,667	26,600
Wastewater Utility - Bond and Interest	5,645	7,895	7,850	5,690
Wastewater Utility - Improvement	3,150	1,200	-	4,350
Totals	<u>\$ 86,689</u>	<u>\$ 99,844</u>	<u>\$ 95,489</u>	<u>\$ 91,044</u>

The accompanying notes are an integral part of the schedules.

TOWN OF SALAMONIA
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety (fire), highways and streets, culture and recreation, public improvements, general administrative services, and wastewater.

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.

Note 6. Long-Term Debt

The Town has entered into a loan. The outstanding principal at December 31, 2005, was \$129,000.

TOWN OF SALAMONIA
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2006, with Connie Southworth, Clerk-Treasurer, and Donna J. Shreeve, Town Council member. Our examination disclosed no material items that warrant comment at this time.