

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

EXAMINATION REPORT

OF

TOWN OF SARATOGA

RANDOLPH COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
11/13/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Joan Warren

01-01-04 to 12-31-11

President of the
Town Council

Leroy Ludwick

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SARATOGA, RANDOLPH COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Saratoga (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.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 30, 2008

TOWN OF SARATOGA
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	\$ 84,583	\$ 79,620	\$ 85,702	\$ 78,501
Motor Vehicle Highway	29,919	12,464	16,844	25,539
Local Road and Street	24,346	3,301	-	27,647
Park and Recreation	7,913	25	-	7,938
Law Enforcement Continuing Education	1,019	23	-	1,042
Riverboat	5,453	1,813	-	7,266
Rainy Day	4,507	-	-	4,507
Cumulative Capital Improvement	12,730	1,029	-	13,759
Cumulative Capital Development	13,191	1,910	1,214	13,887
Cumulative Building and Fire Fighting Equipment	4,938	1,273	143	6,068
Well Repair	1,149	5	-	1,154
Appreciation Days	425	2	-	427
Old City Building	592	301	893	-
Economic Development Income Tax	5,519	25	-	5,544
Fire Truck Grant	36,000	150,000	186,000	-
Levy Excess	-	6,248	-	6,248
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 232,284</u>	<u>\$ 258,039</u>	<u>\$ 290,796</u>	<u>\$ 199,527</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 78,501	\$ 94,301	\$ 76,609	\$ 96,193
Motor Vehicle Highway	25,539	15,033	29,501	11,071
Local Road and Street	27,647	2,399	1,052	28,994
Park and Recreation	7,938	40	267	7,711
Law Enforcement Continuing Education	1,042	9	-	1,051
Riverboat	7,266	1,816	-	9,082
Rainy Day	4,507	1,649	1,000	5,156
Cumulative Capital Improvement	13,759	1,012	-	14,771
Cumulative Capital Development	13,887	1,811	-	15,698
Cumulative Building and Fire Fighting Equipment	6,068	1,206	-	7,274
Well Repair	1,154	3	-	1,157
Appreciation Days	427	1	-	428
Economic Development Income Tax	5,544	49,920	-	55,464
Levy Excess	6,248	-	6,248	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 199,527</u>	<u>\$ 169,200</u>	<u>\$ 114,677</u>	<u>\$ 254,050</u>

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

TOWN OF SARATOGA
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. 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 SARATOGA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets completed in future years will be reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 31,900
Buildings	192,076
Improvements other than buildings	21,758
Machinery and equipment	<u>523,122</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 768,856</u>

TOWN OF SARATOGA
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Motor Vehicle Highway	2007	<u>\$ 1,703</u>

Indiana Code 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."

PERSONAL EXPENSES

A dinner for 40 employees, officials, and others who had worked on behalf of the Park was paid for by the Town at a cost of \$267. Flowers for 2 individuals were paid for by the Town at the cost of \$75.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES

A check was written on a closed account which resulted in a \$25 returned check charge.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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 SARATOGA
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2008, with Joan Warren, Clerk-Treasurer; and Leroy Ludwick, President of the Town Council.