

B37388

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

EXAMINATION REPORT
OF
TOWN OF SANTA CLAUS
SPENCER COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
08/18/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information: Schedule of Capital Assets.....	6
Schedule of Long-Term Debt	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kim M. Christensen	05-21-05 to 12-31-11
President of the Town Council	Ronald L. Smith	01-01-07 to 12-31-10
Superintendent of Utilities	Russell L. Luthy	01-01-07 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SANTA CLAUS, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Santa Claus (Town), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 26, 2010

TOWN OF SANTA CLAUS
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 115,916	\$ 570,567	\$ 499,934	\$ 186,549
Motor Vehicle Highway	87,557	73,533	54,567	106,523
Local Road and Street	15,656	9,126	17,845	6,937
Law Enforcement Continuing Education	1,591	2,456	547	3,500
Park and Recreation	28,438	67,463	74,648	21,253
Riverboat	2,984	57,846	8,920	51,910
Rainy Day	-	28,750	-	28,750
Fire Department Donation	408	-	-	408
Community Center Donation	3,888	2,161	2,923	3,126
Park and Recreation Donation	1,476	96,422	25,483	72,415
Park and Recreation Special	73	11,889	11,962	-
Walking Trail	8,104	-	8,104	-
Town Marshal Special	6,584	4,345	7,500	3,429
Unsafe Building	1,025	-	-	1,025
Cumulative Capital Improvement	11,688	8,376	8,590	11,474
Cumulative Capital Development	92,010	27,094	25,140	93,964
Cumulative Fire Fighting Equipment	114,523	37,654	-	152,177
Cumulative Building	58,493	27,529	-	86,022
Industrial Development	125,772	642	-	126,414
Economic Development Income Tax	385,943	122,826	252,691	256,078
EDIT Reserve	50,050	-	-	50,050
EDIT Bond and Interest	6,736	40,409	47,145	-
Proprietary Funds:				
Water Utility - Operating	762,752	911,824	905,950	768,626
Water Utility - Bond and Interest	6,686	11,264	17,950	-
Water Utility - Debt Service Reserve	66,191	4,726	63,137	7,780
Water Utility - Customer Deposit	15,868	8,600	6,684	17,784
Water Utility - Construction	100,000	-	99,186	814
Wastewater Utility - Operating	553,636	1,082,418	1,022,104	613,950
Wastewater Utility - Bond and Interest	99,660	283,995	383,655	-
Wastewater Utility - Debt Service Reserve	406,554	10,403	-	416,957
Wastewater Utility - Customer Deposit	15,990	8,535	6,722	17,803
Fiduciary Funds:				
Levy Excess	-	3,202	-	3,202
Payroll	-	684,336	684,336	-
Totals	\$ 3,146,252	\$ 4,198,391	\$ 4,235,723	\$ 3,108,920

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 186,549	\$ 573,930	\$ 488,602	\$ 271,877
Motor Vehicle Highway	106,523	54,704	94,665	66,562
Local Road and Street	6,937	8,748	3,306	12,379
Law Enforcement Continuing Education	3,500	1,785	604	4,681
Park and Recreation	21,253	47,541	55,562	13,232
Riverboat	51,910	16,803	11,079	57,634
Rainy Day	28,750	14,560	-	43,310
Fire Department Donation	408	-	-	408
Community Center Donation	3,126	1,913	2,821	2,218
Park and Recreation Donation	72,415	13,773	68,034	18,154
Town Marshal Special	3,429	4,290	1,214	6,505
Unsafe Building	1,025	-	-	1,025
Cumulative Capital Improvement	11,474	6,637	2,337	15,774
Cumulative Capital Development	93,964	27,381	34,359	86,986
Cumulative Fire Fighting Equipment	152,177	39,253	-	191,430
Cumulative Building	86,022	28,721	47,303	67,440
Industrial Development	126,414	-	7,567	118,847
Economic Development Income Tax	256,078	121,130	110,206	267,002
EDIT Reserve	50,050	-	-	50,050
EDIT Bond and Interest	-	50,258	46,070	4,188
Proprietary Funds:				
Water Utility - Operating	768,626	1,364,923	1,917,249	216,300
Water Utility - Debt Service Reserve	7,780	-	-	7,780
Water Utility - Customer Deposit	17,784	10,710	7,847	20,647
Water Utility - Construction	814	200,000	9,968	190,846
Wastewater Utility - Operating	613,950	1,045,968	1,036,402	623,516
Wastewater Utility - Bond and Interest	-	424,879	389,473	35,406
Wastewater Utility - Debt Service Reserve	416,957	-	-	416,957
Wastewater Utility - Customer Deposit	17,803	6,490	7,064	17,229
Fiduciary Funds:				
Levy Excess	3,202	-	3,202	-
Payroll	-	712,179	712,179	-
Totals	\$ 3,108,920	\$ 4,776,576	\$ 5,057,113	\$ 2,828,383

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

TOWN OF SANTA CLAUS
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, highways and streets, culture and recreation, public improvements, water, wastewater, 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 SANTA CLAUS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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 the current period have been reported. The Town of Santa Claus is a Phase III unit under GASB 34 and is not required to recognize retroactive reporting of general infrastructure assets prior to January 1, 2004.

<u>Town of Santa Claus</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets:	
Land	\$ 283,250
Infrastructure	1,615,609
Buildings	751,387
Improvements other than buildings	1,419,627
Machinery and equipment	<u>506,127</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,576,000</u>
<u>Santa Claus Water and Wastewater Utilities</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 111,776
Buildings	655,818
Improvements other than buildings	2,581,854
Machinery and equipment	<u>159,290</u>
Total Water Utility capital assets	<u>3,508,738</u>
Wastewater Utility:	
Capital assets:	
Land	17,103
Buildings	503,678
Improvements other than buildings	9,771,705
Machinery and equipment	<u>373,824</u>
Total Wastewater Utility capital assets	<u>10,666,310</u>
Total business-type activities capital assets	<u>\$ 14,175,048</u>

TOWN OF SANTA CLAUS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For The Year Ended December 31, 2008

Description of Asset	Ending Balance	Principal and Interest Due Within One Year
Governmental activities:		
State revolving loans:		
2002 State revolving loan (Payable from EDIT)	\$ 465,000	\$ 44,995
Total governmental activities long-term debt	<u>\$ 465,000</u>	<u>\$ 44,995</u>
Business-type activities:		
Water Utility:		
State revolving loans:		
2008 State revolving loan	\$ 6,200,000	\$ 334,160
Wastewater Utility:		
State revolving loans:		
2000 State revolving loan	2,605,000	181,595
2001 State revolving loan	665,000	68,595
Revenue bonds:		
1981 Improvement Revenue Bonds	77,000	8,850
1974 Improvement Revenue Bonds	412,000	81,600
1970 Improvement Revenue Bonds (Series A)	43,000	23,042
1970 Improvement Revenue Bonds (Series B)	<u>39,000</u>	<u>20,950</u>
Total Wastewater Utility	<u>3,841,000</u>	<u>384,632</u>
Total business-type activities long-term debt	<u>\$ 10,041,000</u>	<u>\$ 718,792</u>

TOWN OF SANTA CLAUS
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2010, with Kim M. Christensen, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.

Separate telephone exit conferences were held with Town Council members: Ronald L. Smith, Elmer Dilger, Kevin Burke, Michael Johannes, and Dennis Della Morta.