

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

EXAMINATION REPORT
OF
TOWN OF SALAMONIA
JAY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
08/18/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie Southworth	01-01-08 to 12-31-11
President of the Town Council	Charles S. Keen	01-01-08 to 12-31-10



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 financial information presented herein of the Town of Salamoniam (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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 20, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,786	\$ 17,622	\$ 13,619	\$ 5,789
Motor Vehicle Highway	37,894	5,966	12,973	30,887
Local Road and Street	10,025	1,053	1,313	9,765
Cumulative Capital Improvement	1,128	514	741	901
Economic Development Income Tax	9,009	2,454	8,780	2,683
Proprietary Funds:				
Wastewater Utility - Operating	43,756	36,367	37,331	42,792
Wastewater Utility - Bond and Interest	5,780	7,625	7,580	5,825
Wastewater Utility - Debt Service Reserve	6,750	1,271	-	8,021
Totals	<u>\$ 116,128</u>	<u>\$ 72,872</u>	<u>\$ 82,337</u>	<u>\$ 106,663</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 5,789	\$ 15,002	\$ 16,406	\$ 4,385
Motor Vehicle Highway	30,887	6,058	6,482	30,463
Local Road and Street	9,765	934	490	10,209
Rainy Day	-	66	-	66
Riverboat	-	989	600	389
Cumulative Capital Improvement	901	484	452	933
Economic Development Income Tax	2,683	377	-	3,060
Proprietary Funds:				
Wastewater Utility - Operating	42,792	34,626	32,617	44,801
Wastewater Utility - Bond and Interest	5,825	7,536	7,490	5,871
Wastewater Utility - Debt Service Reserve	8,021	1,452	-	9,473
Totals	<u>\$ 106,663</u>	<u>\$ 67,524</u>	<u>\$ 64,537</u>	<u>\$ 109,650</u>

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

TOWN OF SALAMONIA
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, culture and recreation, general administrative services, and wastewater utility.

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 SALAMONIA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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 acquired in the future will be reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 6,600
Buildings	259,623
Improvements other than buildings	25,846
Machinery and equipment	<u>63,736</u>
Total governmental activities, capital assets not being depreciated	 <u>\$ 355,805</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 15,500
Buildings	17,806
Improvements other than buildings	1,108,823
Machinery and equipment	<u>236,412</u>
Total business-type activities capital assets	 <u>\$ 1,378,541</u>

TOWN OF SALAMONIA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Loans payable	\$ <u>121,000</u>	\$ <u>7,400</u>

TOWN OF SALAMONIA
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Payments for mowing Town property totaling \$1,300 in 2008 and \$1,050 in 2009 were made without contracts.

Payments made or received for contractual services should be supported by a written contract. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

Twenty of the 61 tax distributions from Jay County were not deposited into the Town's bank account until at least a week after the date of the check.

IC 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

TOWN OF SALAMONIA
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2010, with Connie Southworth, Clerk-Treasurer, and Charles S. Keen, President of the Town Council. The officials concurred with our findings.