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

EXAMINATION REPORT
OF
TOWN OF PONETO
WELLS COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/05/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Roy D. Schoeff

01-01-08 to 12-31-11

President of the
Town Council

Finley H. Lane

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 PONETO, WELLS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Poneto (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

August 5, 2010

TOWN OF PONETO
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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 48,597	\$ 74,478	\$ 70,396	\$ 52,679
Motor Vehicle Highway	2,657	7,793	6,839	3,611
Local Road and Street	144	1,189	850	483
Rainy Day	24,133	5,258	7,123	22,268
LOIT-Public Safety	-	872	-	872
Riverboat	-	1,506	-	1,506
Cumulative Capital Improvement	14,643	910	5,263	10,290
Economic Development Income Tax	23,447	5,439	417	28,469
Proprietary Fund:				
Wastewater Utility - Operating	148,398	81,483	196,689	33,192
Fiduciary Fund:				
Payroll	-	7,428	7,428	-
Totals	<u>\$ 262,019</u>	<u>\$ 186,356</u>	<u>\$ 295,005</u>	<u>\$ 153,370</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 52,679	\$ 54,545	\$ 41,669	\$ 65,555
Motor Vehicle Highway	3,611	7,731	9,892	1,450
Local Road and Street	483	1,127	1,131	479
Rainy Day	22,268	7,789	-	30,057
LOIT-Public Safety	872	990	-	1,862
Riverboat	1,506	1,501	-	3,007
Cumulative Capital Improvement	10,290	735	185	10,840
Economic Development Income Tax	28,469	4,780	478	32,771
Proprietary Fund:				
Wastewater Utility - Operating	33,192	44,677	56,968	20,901
Fiduciary Fund:				
Payroll	-	7,826	7,227	599
Totals	<u>\$ 153,370</u>	<u>\$ 131,701</u>	<u>\$ 117,550</u>	<u>\$ 167,521</u>

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

TOWN OF PONETO
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 (fire protection), culture and recreation, highways and streets, 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.

TOWN OF PONETO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 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.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,340
Buildings	27,190
Improvements other than buildings	860
Machinery and equipment	<u>3,948</u>
Total governmental activities, capital assets not being depreciated	 <u>\$ 35,338</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 7,117
Improvements other than buildings	1,005,864
Machinery and equipment	<u>29,346</u>
Total Wastewater Utility capital assets	 <u>\$ 1,042,327</u>

TOWN OF PONETO
 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:		
Revenue bonds:		
1996 Construction	\$ 63,000	\$ -

TOWN OF PONETO
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2010, with Roy D. Schoeff, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.