

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, 2008 to December 31, 2009



FILED
12/06/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Joan Warren Deonna Poole	01-01-08 to 12-31-08 01-01-09 to 12-31-11
President of the Town Council	Leroy Ludwick	01-01-08 to 12-31-10



STATE OF INDIANA
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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, 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, 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 23, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 96,193	\$ 118,271	\$ 99,548	\$ 114,916
Motor Vehicle Highway	11,071	26,637	26,698	11,010
Local Road and Street	28,994	1,331	1,737	28,588
Park and Recreation	7,711	60	-	7,771
Law Enforcement Continuing Education	1,051	9	-	1,060
Riverboat	9,082	1,807	989	9,900
Rainy Day	5,156	2,180	2,168	5,168
Cumulative Capital Improvement	14,771	936	3,492	12,215
Cumulative Capital Development	15,698	2,524	4,222	14,000
Cumulative Fire Equipment	7,274	1,685	-	8,959
Well Repair	1,157	1	-	1,158
Appreciation Days	428	-	-	428
Economic Development Income Tax	55,464	15,406	68,570	2,300
Totals	\$ 254,050	\$ 170,847	\$ 207,424	\$ 217,473
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 114,916	\$ 73,471	\$ 101,086	\$ 87,301
Motor Vehicle Highway	11,010	26,918	21,658	16,270
Local Road and Street	28,588	1,257	5,000	24,845
Park and Recreation	7,771	127	360	7,538
Law Enforcement Continuing Education	1,060	9	-	1,069
Riverboat	9,900	1,802	-	11,702
Rainy Day	5,168	270	-	5,438
Cumulative Capital Improvement	12,215	883	-	13,098
Cumulative Capital Development	14,000	1,094	498	14,596
Cumulative Fire Equipment	8,959	730	-	9,689
Well Repair	1,158	-	-	1,158
Appreciation Days	428	-	-	428
Economic Development Income Tax	2,300	15,499	-	17,799
Totals	\$ 217,473	\$ 122,060	\$ 128,602	\$ 210,931

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, 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, 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 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

CONDITION OF RECORDS

There were several errors in posting transactions to the ledger in 2008. Some transactions were posted twice, while others were not posted at all. These errors went undiscovered because bank reconciliations were not completed properly. As a result of these errors plus compilation errors, the Annual City and Town Financial Report for 2008 included several misstatements. Several adjustments were necessary in order to accurately present the financial schedule in this report.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

IC-5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Governmental units should file accurate reports required by federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

County tax distributions in 2009 were deposited in the Town's bank account an average of 25 days 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 SARATOGA
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

There was no official bond for the Clerk-Treasurer from January 1, 2009 through December 3, 2009.

IC 5-4-1-18(a) states in part: "the following city, town, county, or township officers and employees shall file an individual surety bond: . . . Town judges and clerk-treasurers."

ANNUAL FINANCIAL REPORTS

The Annual City and Town Financial Report for 2009 was not filed with the State Board of Accounts until March 9, 2010, eight days after the statutory deadline.

IC 5-11-1-4 states in part:

The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year.

PUBLIC RECORDS RETENTION

Minutes for the monthly meetings of the Town Council were not available for three months of 2008.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

TOWN OF SARATOGA
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2010, with Deonna Poole, Clerk-Treasurer, and Leroy Ludwick, President of the Town Council. The officials concurred with our findings.