

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

EXAMINATION REPORT
OF
TOWN OF PATOKA
GIBSON COUNTY, INDIANA
January 1, 2008 to December 31, 2010



FILED
02/17/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Stephanie Berry	01-01-08 to 12-31-11
President of the Town Council	Jeffrey R. Black	01-01-08 to 03-31-08
	Jim Austill	04-01-08 to 12-31-08
	Danny Carver	01-01-09 to 12-31-09
	Joseph Cargal	01-01-10 to 12-31-10
	Jim Austill	01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PATOKA, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Patoka (Town), for the period of January 1, 2008 to December 31, 2010. 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, 2009, and 2010, 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 part 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

January 31, 2011

TOWN OF PATOKA
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, 2009, And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 23,971	\$ 38,311	\$ 27,687	\$ 34,595
Motor Vehicle Highway	49,982	26,725	24,996	51,711
Local Road and Street	1,822	4,150	4,787	1,185
Park Donations	1,923	300	506	1,717
Law Enforcement Continuing Education	975	593	1,012	556
Police Department Donations	754	355	109	1,000
Fire Department Donations	74	575	162	487
Electric Liquidation	157,630	8,182	4,709	161,103
Rainy Day	1	-	-	1
Riverboat	13,802	-	-	13,802
Cumulative Capital Improvement	2,038	2,436	-	4,474
Economic Development Income Tax	5,751	5,410	-	11,161
Proprietary Funds:				
Water Utility - Operating	19,397	226,737	203,480	42,654
Water Utility - Bond and Interest	88,623	84,000	90,744	81,879
Water Utility - Depreciation	27,970	5,000	20,660	12,310
Water Utility - Customer Deposit	6,800	1,100	1,400	6,500
Fiduciary Fund:				
Payroll	986	48,325	49,128	183
Totals	<u>\$ 402,499</u>	<u>\$ 452,199</u>	<u>\$ 429,380</u>	<u>\$ 425,318</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 34,595	\$ 40,547	\$ 36,404	\$ 38,738
Motor Vehicle Highway	51,711	25,381	30,641	46,451
Local Road and Street	1,185	3,937	3,983	1,139
Park Donations	1,717	400	217	1,900
Law Enforcement Continuing Education	556	615	640	531
Police Department Donations	1,000	-	687	313
Fire Department Donations	487	-	-	487
Electric Liquidation	161,103	8,159	5,040	164,222
Rainy Day	1	292	-	293
Riverboat	13,802	9,386	-	23,188
Cumulative Capital Improvement	4,474	2,297	2,000	4,771
Economic Development Income Tax	11,161	4,781	-	15,942
Proprietary Funds:				
Water Utility - Operating	42,654	214,911	231,782	25,783
Water Utility - Bond and Interest	81,879	99,000	90,693	90,186
Water Utility - Depreciation	12,310	5,500	-	17,810
Water Utility - Customer Deposit	6,500	800	500	6,800
Fiduciary Fund:				
Payroll	183	49,847	49,720	310
Totals	<u>\$ 425,318</u>	<u>\$ 465,853</u>	<u>\$ 452,307</u>	<u>\$ 438,864</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 38,738	\$ 35,769	\$ 38,172	\$ 36,335
Motor Vehicle Highway	46,451	25,553	24,139	47,865
Local Road and Street	1,139	4,012	4,023	1,128
Park Donations	1,900	800	215	2,485
Law Enforcement Continuing Education	531	160	35	656
Police Department Donations	313	-	-	313
Fire Department Donations	487	-	-	487
Electric Liquidation	164,222	8,159	17,253	155,128
Rainy Day	293	-	-	293
Riverboat	23,188	4,687	-	27,875
Cumulative Capital Improvement	4,771	2,193	2,000	4,964
Economic Development Income Tax	15,942	4,910	-	20,852
Proprietary Funds:				
Water Utility - Operating	25,783	216,212	204,563	37,432
Water Utility - Bond and Interest	90,186	62,000	91,601	60,585
Water Utility - Depreciation	17,810	10,000	-	27,810
Water Utility - Customer Deposit	6,800	700	1,986	5,514
Fiduciary Fund:				
Payroll	310	48,835	48,793	352
Totals	<u>\$ 438,864</u>	<u>\$ 423,990</u>	<u>\$ 432,780</u>	<u>\$ 430,074</u>

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

TOWN OF PATOKA
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, general administrative services and water.

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.

Note 6. Subsequent Event

The Town owes the Water Utility \$20,771 for hydrant rental which has been delinquent since 1995. The Town has included this repayment in its 2011 budget and it should be repaid in full by December 31, 2011.

TOWN OF PATOKA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2010

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,000
Buildings	35,000
Improvements other than buildings	2,865
Machinery and equipment	155,479
Total capital assets, not being depreciated	<u>\$ 194,344</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 1,949
Buildings	743,431
Improvements other than buildings	1,253,534
Machinery and equipment	<u>831,589</u>
Total business-type activities capital assets	<u>\$ 2,830,503</u>

TOWN OF PATOKA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
2000 Water Revenue Bonds	\$ 538,000	\$ 48,801
2001 Water Revenue Bonds	335,119	30,978
Water Well Loan	<u>30,055</u>	<u>30,688</u>
Total business-type activities debt	<u>\$ 903,174</u>	<u>\$ 110,467</u>

TOWN OF PATOKA
EXIT CONFERENCE

The contents of this report were discussed on January 31, 2011, with Stephanie Berry, Clerk-Treasurer, and Jim Austill, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.