

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF SARATOGA

RANDOLPH COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
10/02/2006

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Joan Warren

01-01-04 to 12-31-07

President of the Town Council

John Boyd
Leroy Ludwick

01-01-04 to 12-31-05
01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SARATOGA, RANDOLPH COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Saratoga (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 29, 2006

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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 58,812	\$ 104,124	\$ 92,306	\$ 70,630
Motor Vehicle Highway	38,870	10,551	10,685	38,736
Local Road and Street	26,291	1,535	-	27,826
Park and Recreation	8,129	10	246	7,893
Law Enforcement Continuing Education	971	20	-	991
Riverboat	1,821	1,816	-	3,637
Rainy Day	-	4,507	-	4,507
Cumulative Capital Improvement	10,765	1,075	-	11,840
Cumulative Capital Development	8,884	2,724	-	11,608
Cumulative Fire Fighting Equipment	11,399	1,817	-	13,216
Well Repair	1,139	5	-	1,144
Appreciation Days	421	2	-	423
Old City Building	587	2	-	589
Economic Development Income Tax	-	96,820	94,738	2,082
Totals	<u>\$ 168,089</u>	<u>\$ 225,008</u>	<u>\$ 197,975</u>	<u>\$ 195,122</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 70,630	\$ 109,186	\$ 95,233	\$ 84,583
Motor Vehicle Highway	38,736	21,836	30,653	29,919
Local Road and Street	27,826	1,520	5,000	24,346
Park and Recreation	7,893	20	-	7,913
Law Enforcement Continuing Education	991	28	-	1,019
Riverboat	3,637	1,816	-	5,453
Rainy Day	4,507	-	-	4,507
Cumulative Capital Improvement	11,840	890	-	12,730
Cumulative Capital Development	11,608	2,583	1,000	13,191
Cumulative Fire Fighting Equipment	13,216	1,722	10,000	4,938
Well Repair	1,144	5	-	1,149
Appreciation Days	423	2	-	425
Old City Building	589	3	-	592
Economic Development Income Tax	2,082	24,437	21,000	5,519
Fire Truck Grant	-	45,000	9,000	36,000
Disaster No. 1573	-	29,619	29,619	-
Totals	<u>\$ 195,122</u>	<u>\$ 238,667</u>	<u>\$ 201,505</u>	<u>\$ 232,284</u>

The accompanying notes are an integral part of the schedules.

TOWN OF SARATOGA
NOTES TO SCHEDULES

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, 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.

TOWN OF SARATOGA
NOTES TO SCHEDULES
(Continued)

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. Long-Term Debt

The Town has entered into a loan for a building. The outstanding principal at December 31, 2005, was \$10,469.

Note 7. Subsequent Event

The Town received a \$150,000 Community Development Block Grant and used it toward the purchase of a fire truck on August 28, 2006. The balance of the \$208,538 purchase was to be paid from the Fire Truck Grant Fund and by the Ward Township Volunteer Fire Department.

TOWN OF SARATOGA
EXAMINATION RESULT AND COMMENT

PUBLIC WORKS PROJECT

The Town paid \$77,510 to the Meyer Building Corporation for the construction of a utility building in 2004. There was no evidence presented that sealed bids were requested or received.

Indiana Code 36-1-12-4(a) states, in part: "This section applies whenever the cost of a public work project will be: (1) at least seventy-five thousand dollars (\$75,000) in: (A) a consolidated city or second class city; (B) a county containing a consolidated city or second class city; or (C) a regional water or sewage district established under IC 13-26; (2) at least fifty thousand dollars (\$50,000) in: (A) a third class city or town with a population of more than five thousand (5,000), or (B) a county containing a third class city or town with a population of more than five thousand (5,000); or (3) at least twenty-five thousand dollars (\$25,000) in a political subdivision or an agency not described in subdivision (1) or (2)."

Indiana Code 36-1-12-4(b) states in part: "The board must comply with the following procedure: (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . . (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3). (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed. . . ."

TOWN OF SARATOGA
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2006, with Joan Warren, Clerk-Treasurer; and Leroy Ludwick, President of the Town Council. The officials concurred with our finding.