

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

EXAMINATION REPORT

OF

TOWN OF ST. JOE

DEKALB COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
10/24/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Laura Spuller Mary E. Simcox	01-01-04 to 12-31-05 01-01-06 to 12-31-07
President of the Town Council	David Burns	01-01-05 to 12-31-07
Superintendent of Water Utility/ Town Manager	Robert Goldner	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ST. JOE, DEKALB COUNTY, INDIANA

We have examined the financial information presented herein of the Town of St. Joe (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

September 12, 2007

TOWN OF ST. JOE
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 189,418	\$ 111,638	\$ 96,560	\$ 204,496
Motor Vehicle Highway	95,216	27,995	37,255	85,956
Local Road and Street	27,390	2,645	2,063	27,972
Cemetery Operating	1,093	12,266	8,491	4,868
Rainy Day	4,205	3,014	-	7,219
Levy Excess	-	21,561	-	21,561
Cumulative Capital Improvement	3,602	1,478	595	4,485
County Economic Development Income Tax	13,514	6,852	5,000	15,366
Proprietary Funds:				
Water Utility - Operating	42,267	83,170	87,027	38,410
Water Utility - Bond and Interest	17,810	45,273	20,438	42,645
Water Utility - Debt Service Reserve	23,165	-	-	23,165
Water Utility - Customer Deposit	3,880	550	240	4,190
Water Utility - Improvement	-	2,000	-	2,000
Fiduciary Funds:				
Cemetery Perpetual	17,955	1,012	-	18,967
Payroll	(6)	38,902	38,896	-
Totals	<u>\$ 439,509</u>	<u>\$ 358,356</u>	<u>\$ 296,565</u>	<u>\$ 501,300</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 204,496	\$ 102,882	\$ 105,192	\$ 202,186
Motor Vehicle Highway	85,956	33,446	27,221	92,181
Local Road and Street	27,972	2,573	1,431	29,114
Cemetery Operating	4,868	10,779	7,338	8,309
Riverboat	-	3,008	-	3,008
Rainy Day	7,219	-	695	6,524
Levy Excess	21,561	38,059	9,091	50,529
Cumulative Capital Improvement	4,485	1,707	-	6,192
County Economic Development Income Tax	15,366	11,580	-	26,946
Proprietary Funds:				
Water Utility - Operating	38,410	81,206	38,363	81,253
Water Utility - Bond and Interest	42,645	288	20,425	22,508
Water Utility - Debt Service Reserve	23,165	-	-	23,165
Water Utility - Customer Deposit	4,190	-	50	4,140
Water Utility - Improvement	2,000	-	-	2,000
Fiduciary Funds:				
Cemetery Perpetual	18,967	4,400	1,293	22,074
Payroll	-	40,862	40,862	-
Totals	<u>\$ 501,300</u>	<u>\$ 330,790</u>	<u>\$ 251,961</u>	<u>\$ 580,129</u>

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

TOWN OF ST. JOE
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, 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.

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

In 2007, the Town was awarded a \$246,000 federal grant under the Safe Route to School program. The grant will be used for sidewalks.

TOWN OF ST. JOE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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 the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,278
Infrastructure	45,688
Buildings	135,695
Improvements other than buildings	20,373
Machinery and equipment	<u>81,643</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>284,677</u>
 Business-type activity:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,450
Capital assets, being depreciated:	
Improvements other than buildings	873,828
Machinery and equipment	<u>100,230</u>
 Total business-type activity capital assets	 \$ <u>978,508</u>

TOWN OF ST. JOE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:		
Water Utility		
Loans:		
State Revolving Fund Loan	<u>\$ 222,800</u>	<u>\$ -</u>

TOWN OF ST. JOE
EXAMINATION RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the Simplified Cash Journal.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ORDINANCES AND RESOLUTIONS

The Town has a rate ordinance for the Water Utility. During a review of customer's charges, it was noted that a customer was under billed by \$4,618. An additional \$2,911 has been billed in 2007 to catch up the billing. However, there is still a remaining variance of \$1,707.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORTS

The annual reports for 2005 and 2006 were not complete.

Indian Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF ST. JOE
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2007, with Mary E. Simcox, Clerk-Treasurer; and David Burns, President of the Town Council. The officials concurred with our findings.