

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, 2007 to December 31, 2009



FILED
12/29/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Simcox	01-01-06 to 12-31-11
President of the Town Council	David Burns Steve Monroe	01-01-07 to 12-31-07 01-01-08 to 12-31-10
Superintendent of Water Utility/ Town Manager	Robert Goldner	01-01-07 to 07-31-08



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, 2007 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, 2007, 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

October 28, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 202,186	\$ 101,991	\$ 76,672	\$ 227,505
Motor Vehicle Highway	92,181	38,172	391	129,962
Local Road and Street	29,114	2,583	-	31,697
Cemetery Operating	8,309	21,530	9,634	20,205
Riverboat	3,008	3,014	3,000	3,022
Rainy Day	6,524	19,743	5,000	21,267
Levy Excess	50,529	-	50,529	-
Cumulative Capital Improvement	6,192	1,679	-	7,871
County Economic Development Income Tax	26,946	5,927	-	32,873
Proprietary Funds:				
Water Utility - Operating	81,253	84,599	58,375	107,477
Water Utility - Bond and Interest	22,508	199	22,631	76
Water Utility - Debt Service Reserve	23,165	2,233	-	25,398
Water Utility - Customer Deposit	4,140	700	30	4,810
Water Utility - Improvement	2,000	4,000	-	6,000
Fiduciary Funds:				
Cemetery Perpetual	22,074	2,438	-	24,512
Payroll	-	42,278	42,240	38
Totals	\$ 580,129	\$ 331,086	\$ 268,502	\$ 642,713
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 227,505	\$ 71,658	\$ 92,304	\$ 206,859
Motor Vehicle Highway	129,962	39,929	1,861	168,030
Local Road and Street	31,697	2,408	12,103	22,002
Cemetery Operating	20,205	11,836	13,414	18,627
Riverboat	3,022	2,999	-	6,021
Rainy Day	21,267	13,764	-	35,031
Cumulative Capital Improvement	7,871	1,554	-	9,425
County Economic Development Income Tax	32,873	4,079	471	36,481
Safe Routes To School	-	33,650	33,650	-
Proprietary Funds:				
Water Utility - Operating	107,477	92,849	84,642	115,684
Water Utility - Bond and Interest	76	26,888	20,514	6,450
Water Utility - Debt Service Reserve	25,398	25,398	25,398	25,398
Water Utility - Customer Deposit	4,810	300	770	4,340
Water Utility - Improvement	6,000	2,000	-	8,000
Fiduciary Funds:				
Cemetery Perpetual	24,512	788	113	25,187
Payroll	38	43,274	43,069	243
Totals	\$ 642,713	\$ 373,374	\$ 328,309	\$ 687,778
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 206,859	\$ 97,520	\$ 117,989	\$ 186,390
Motor Vehicle Highway	168,030	27,846	44,728	151,148
Local Road and Street	22,002	2,268	12,619	11,651
Cemetery Operating	18,627	17,542	19,003	17,166
Riverboat	6,021	2,991	-	9,012
Rainy Day	35,031	20,550	-	55,581
Cumulative Capital Improvement	9,425	1,466	50	10,841
County Economic Development Income Tax	36,481	7,716	10,272	33,925
Proprietary Funds:				
Water Utility - Operating	115,684	95,940	149,521	62,103
Water Utility - Bond and Interest	6,450	29	-	6,479
Water Utility - Debt Service Reserve	25,398	-	-	25,398
Water Utility - Customer Deposit	4,340	400	50	4,690
Water Utility - Improvement	8,000	4,170	-	12,170
Fiduciary Funds:				
Cemetery Perpetual	25,187	1,043	-	26,230
Payroll	243	45,141	45,107	277
Totals	\$ 687,778	\$ 324,622	\$ 399,339	\$ 613,061

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, 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 ST. JOE
 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 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	71,424
Buildings	135,695
Improvements other than buildings	25,516
Machinery and equipment	<u>89,644</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 323,557</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>140,779</u>
 Total business-type activity capital assets	 <u>\$ 1,019,057</u>

TOWN OF ST. JOE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2009

	Ending Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Loans:		
State Revolving Fund Loan	\$ 183,700	\$ 3,215

TOWN OF ST. JOE
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

Official bonds for 2007, 2008 and 2009 were not filed in the Office of the County Recorder. Bonds were filed for 2010.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

HYDRANT RENTAL

The Town underpaid hydrant rental charges by \$1,575 in 2008 and overpaid them by \$4,725 in 2009.

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)

PENALTIES AND INTEREST

Penalties and interest of \$49.09 were paid to the Indiana Department of Revenue for the late payment of January 2009 sales tax.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF ST. JOE
EXAMINATION RESULTS AND COMMENTS
(Continued)

ANNUAL REPORT

The Annual Reports for 2007, 2008 and 2009 were not complete. A similar comment was made in prior examination Report B30795.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect for 2007, 2008 and 2009. The Town's ledger balance is \$1,530.87 less than the bank balance at December 31, 2009.

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."

At all times, the manual and/or 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)

TOWN OF ST. JOE
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2010, with Mary Simcox, Clerk-Treasurer, and Steve Monroe, President of the Town Council. The officials concurred with our findings.