

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

EXAMINATION REPORT

OF

TOWN OF BORDEN

CLARK COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**

02/12/2007



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OFFICIALS

| <u>Office</u>                           | <u>Official</u>             | <u>Term</u>                                  |
|---|-----------------------------|--|
| Clerk-Treasurer                         | Ruth Sparks<br>Mindi Holmes | 01-01-04 to 08-07-06<br>08-08-06 to 12-31-07 |
| President of the<br>Town Council        | John McClure                | 01-01-04 to 12-31-07                         |
| Superintendent of<br>Wastewater Utility | Patrick Kelly               | 01-01-04 to 10-30-05                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BORDEN, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Borden (Town), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information 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

January 3, 2007

TOWN OF BORDEN  
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, 2004 And 2005

|   | Cash and<br>Investments<br>01-01-04 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-04 |
|---|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds:                       |                                     |                   |                   |                                     |
| General                                   | \$ 28,820                           | \$ 194,040        | \$ 166,940        | \$ 55,920                           |
| Motor Vehicle Highway                     | 16,515                              | 40,877            | 34,371            | 23,021                              |
| Local Road and Street                     | 5,338                               | 8,811             | 9,897             | 4,252                               |
| Law Enforcement Continuing Education      | 1,628                               | 204               | 271               | 1,561                               |
| Donation                                  | 11,960                              | 82,713            | 19,464            | 75,209                              |
| Borden Cemetery                           | 15,247                              | 2,133             | -                 | 17,380                              |
| Youth Coalition Grant                     | 307                                 | -                 | 307               | -                                   |
| Vehicle Impoundment                       | 2,698                               | 25                | -                 | 2,723                               |
| Kids' Station                             | 9,750                               | 750               | 3,066             | 7,434                               |
| EDA Grant                                 | 43,043                              | 141,937           | 147,285           | 37,695                              |
| Disaster Funds                            | -                                   | 67,030            | 64,122            | 2,908                               |
| Cumulative Capital Improvement            | 8,932                               | 3,052             | 8,369             | 3,615                               |
| Bond and Interest                         | -                                   | 17,453            | 17,453            | -                                   |
| Proprietary Funds:                        |                                     |                   |                   |                                     |
| Wastewater Utility - Operating            | 11,212                              | 200,113           | 211,176           | 149                                 |
| Wastewater Utility - Bond and Interest    | 133,878                             | 84,000            | 80,718            | 137,160                             |
| Wastewater Utility - Debt Service Reserve | 29,456                              | 14,400            | -                 | 43,856                              |
| Wastewater Utility - Improvement          | 14,356                              | 6,000             | 15,000            | 5,356                               |
| Fiduciary Funds:                          |                                     |                   |                   |                                     |
| Cemetery Trust                            | 2,675                               | -                 | -                 | 2,675                               |
| Escrow EDA Grant                          | 10,018                              | 14                | 10,032            | -                                   |
| Totals                                    | <u>\$ 345,833</u>                   | <u>\$ 863,552</u> | <u>\$ 788,471</u> | <u>\$ 420,914</u>                   |

|   | Cash and<br>Investments<br>01-01-05 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-05 |
|---|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds:                       |                                     |                   |                   |                                     |
| General                                   | \$ 55,920                           | \$ 277,695        | \$ 232,153        | \$ 101,462                          |
| Motor Vehicle Highway                     | 23,021                              | 65,955            | 16,776            | 72,200                              |
| Local Road and Street                     | 4,252                               | 14,950            | 4,010             | 15,192                              |
| Law Enforcement Continuing Education      | 1,561                               | 761               | 82                | 2,240                               |
| Donation                                  | 75,209                              | 103               | 33,811            | 41,501                              |
| Borden Cemetery                           | 17,380                              | 382               | -                 | 17,762                              |
| Youth Coalition Grant                     | -                                   | 3,252             | 3,037             | 215                                 |
| Vehicle Impoundment                       | 2,723                               | 75                | -                 | 2,798                               |
| Unsafe Building                           | -                                   | 10,000            | 954               | 9,046                               |
| Kids' Station                             | 7,434                               | 4,050             | 2,511             | 8,973                               |
| EDA Grant                                 | 37,695                              | -                 | 37,695            | -                                   |
| Disaster Funds                            | 2,908                               | 1,745             | 600               | 4,053                               |
| Build Indiana Fund                        | -                                   | 865               | 865               | -                                   |
| Cumulative Capital Improvement            | 3,615                               | 2,529             | 3,066             | 3,078                               |
| Bond and Interest                         | -                                   | 8,363             | 8,363             | -                                   |
| Proprietary Funds:                        |                                     |                   |                   |                                     |
| Wastewater Utility - Operating            | 149                                 | 210,552           | 200,031           | 10,670                              |
| Wastewater Utility - Bond and Interest    | 137,160                             | 84,000            | 143,022           | 78,138                              |
| Wastewater Utility - Debt Service Reserve | 43,856                              | 62,053            | -                 | 105,909                             |
| Wastewater Utility - Improvement          | 5,356                               | 6,000             | -                 | 11,356                              |
| Fiduciary Funds:                          |                                     |                   |                   |                                     |
| Cemetery Trust                            | 2,675                               | -                 | -                 | 2,675                               |
| Totals                                    | <u>\$ 420,914</u>                   | <u>\$ 753,330</u> | <u>\$ 686,976</u> | <u>\$ 487,268</u>                   |

The accompanying notes are an integral part of the schedules.

TOWN OF BORDEN  
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, highways and streets, culture and recreation, sanitation, and general administrative services, planning and zoning, public improvements, and wastewater.

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.

TOWN OF BORDEN  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Long-Term Debt

The Town has entered into various debt agreements such as bonds for a lake purchase and wastewater plant improvements; and loans for a building and wastewater improvements. The outstanding principal for the bonds and loans at December 31, 2005, was \$223,350 and \$792,660, respectively.

Note 7. Wastewater Utility Management Agreement

On October 31, 2005, the Town of Borden entered into an agreement with Aqua Utility Services, LLC for the management of the Borden Wastewater Utility. According to the terms of the contract, the Town will pay a Basic Service fee of \$3,083.33 per month with the first invoice beginning December 1, 2005. During 2005, the Town paid Aqua Utility Services \$3,083.33.

Note 8. Subsequent Event

In December 2005, the Town Council approved a wastewater utility rate increase effective May 2006.

Note 9. Major Customer

The Utility has one major customer, Kimbell Office Caseloads, whose billings represented 13% and 12% of the total billings for 2004 and 2005, respectively.

TOWN OF BORDEN  
EXIT CONFERENCE

The contents of this report were discussed on January 3, 2007, with Mindi Holmes, Clerk-Treasurer; John McClure, President of the Town Council; and Angela Brewer, Town Council member. Our examination disclosed no material items that warrant comment at this time.