

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

EXAMINATION REPORT  
OF  
TOWN OF ODON  
DAVISS COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
10/26/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Opal McDannald	01-01-04 to 12-31-07
President of the Town Council	Richard Cottrell	01-01-06 to 12-31-07
Superintendent of Water Utility	James Huff	01-01-06 to 12-31-07
Superintendent of Wastewater Utility	Jeremy Wesner	01-01-06 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 ODON, DAVIESS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Odon (Town), for the period of January 1, 2006 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 year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 23, 2007

TOWN OF ODON  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 186,130	\$ 186,994	\$ 205,935	\$ 167,189
Motor Vehicle Highway	81,041	56,469	50,275	87,235
Local Road and Street	2,004	5,747	5,675	2,076
Park and Recreation	11,663	43,035	28,294	26,404
Law Enforcement Continuing Education	7,530	761	358	7,933
Riverboat	14,412	13,659	11,665	16,406
Fire Protection	31,885	35,922	19,008	48,799
Park Community Building Fund	1,854	-	-	1,854
Cumulative Capital Improvement	2,822	4,916	3,561	4,177
Cumulative Capital Development	15,774	12,128	8,124	19,778
County Economic Development Income Tax	-	28,102	27,741	361
Levy Excess	9,014	4,081	9,014	4,081
Park Nonreverting Capital	2,452	5,059	3,750	3,761
Proprietary Funds:				
Water Utility - Operating	309,054	574,286	511,604	371,736
Water Utility - Bond and Interest	47,469	78,942	71,319	55,092
Water Utility - Depreciation	35,800	40	-	35,840
Water Utility - Customer Deposit	6,802	2,690	1,543	7,949
Water Utility - Construction	53,793	-	-	53,793
Water Utility - Reserve	5,035	5,055	-	10,090
Wastewater Utility - Operating	229,164	276,071	265,158	240,077
Wastewater Utility - Bond and Interest	26,748	40,671	-	67,419
Wastewater Utility - Depreciation	14,137	-	-	14,137
Wastewater Utility - Customer Deposit	20	-	-	20
Wastewater Utility - Construction	63,772	2,787	-	66,559
Fiduciary Fund:				
Payroll	3,458	218,040	217,787	3,711
Totals	<u>\$ 1,161,833</u>	<u>\$ 1,595,455</u>	<u>\$ 1,440,811</u>	<u>\$ 1,316,477</u>

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

TOWN OF ODON  
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. 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 ODON  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members of PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into various debts such as bonds for water utility construction (1981 issue) and wastewater utility construction (1969 issue), a state revolving fund loan for drinking water, and a capital lease for a police car. The outstanding principal at December 31, 2006, was \$407,000, \$90,000, \$385,522, and \$11,910, respectively.

TOWN OF ODON  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2007, with Opal McDannald, Clerk-Treasurer; and Richard Cottrell, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.