

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

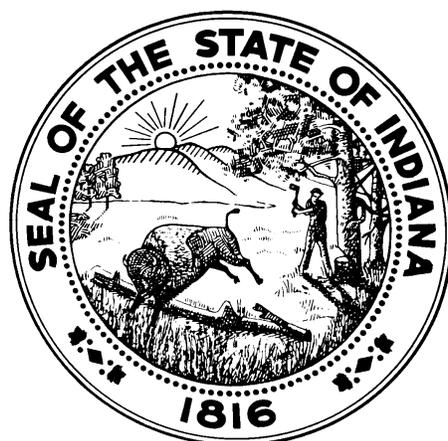
EXAMINATION REPORT

OF

TOWN OF DECKER

KNOX COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
11/07/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donald Driskill	01-01-04 to 12-31-11
President of the Town Council	Robert Dent	01-01-06 to 12-31-06
	Patricia Doades	01-01-07 to 12-31-07
	Louis W. Schultz	01-01-08 to 12-31-08
Superintendent of Water Utility	Charles Douglas	01-01-06 to 07-31-06
	Herbert Hastings	08-01-06 to 05-31-07
	Earl Horst	06-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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 DECKER, KNOX COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Decker (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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 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 7, 2008

TOWN OF DECKER  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 38,110	\$ 20,922	\$ 17,208	\$ 41,824
Motor Vehicle Highway	61,958	12,036	42,921	31,073
Local Road and Street	5,349	1,593	725	6,217
Street	1,092	-	-	1,092
County Economic Development Income Tax	8,960	1,162	-	10,122
County Option Income Tax	2,582	1,655	-	4,237
Cumulative Capital Improvement	18,362	1,546	12,520	7,388
Levy Excess	545	-	-	545
Proprietary Funds:				
Water Utility - Operating	22,829	45,796	36,475	32,150
Water Utility - Depreciation	5,940	41	-	5,981
Water Utility - Customer Deposit	3,810	235	185	3,860
Totals	<u>\$ 169,537</u>	<u>\$ 84,986</u>	<u>\$ 110,034</u>	<u>\$ 144,489</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 41,824	\$ 9,928	\$ 17,935	\$ 33,817
Motor Vehicle Highway	31,073	16,598	6,617	41,054
Local Road and Street	6,217	1,603	815	7,005
Street	1,092	-	-	1,092
County Economic Development Income Tax	10,122	1,148	-	11,270
County Option Income Tax	4,237	2,215	-	6,452
Rainy Day	-	2,554	-	2,554
Riverboat	-	1,785	-	1,785
Cumulative Capital Improvement	7,388	1,004	660	7,732
Levy Excess	545	3,542	-	4,087
Proprietary Funds:				
Water Utility - Operating	32,150	44,928	41,353	35,725
Water Utility - Depreciation	5,981	94	-	6,075
Water Utility - Customer Deposit	3,860	300	240	3,920
Totals	<u>\$ 144,489</u>	<u>\$ 85,699</u>	<u>\$ 67,620</u>	<u>\$ 162,568</u>

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

TOWN OF DECKER  
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: highways and streets, general administrative services, and water.

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.

Note 6. Subsequent Event – CDBG Grant Award

The Town was awarded a \$75,000 Community Development Block Grant for housing rehabilitation from the U.S. Department of Commerce passing through the Indiana Office of Rural Affairs on April 7, 2008. This grant will be used to rehabilitate qualifying housing units beginning in the spring of 2009. The grant will be matched by \$7,500 of local Town funds making the total project \$82,500.

TOWN OF DECKER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,500
Buildings	62,720
Improvements other than buildings	6,983
Machinery and equipment	<u>24,366</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>95,569</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 38,599
Improvements other than buildings	816,743
Machinery and equipment	<u>4,860</u>
 Total Water Utility capital assets	 \$ <u>860,202</u>

**TOWN OF DECKER**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LONG-TERM DEBT**  
**December 31, 2007**

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Due Within One Year
<b>Business-type Activities:</b>		
<b>Water Utility</b>		
<b>Water grant loan payable</b>	<b>\$ 128,700</b>	<b>\$ 5,832</b>

TOWN OF DECKER  
EXAMINATION RESULT AND COMMENT

ORDINANCES AND RESOLUTIONS

The Town has an ordinance stating that all water bills must be paid by the 15th or the customer will owe a penalty, and if not paid by the last day of the following month the water meter will be removed. There were instances where customers did not pay water bills for up to six months without the water meter being removed.

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)

A similar comment appeared in a prior report.

TOWN OF DECKER  
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2008, with Donald Driskill, Clerk-Treasurer; and Louis W. Schultz, President of the Town Council.