

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

EXAMINATION REPORT
OF
TOWN OF HEBRON
PORTER COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jamie E. Uzelac Theresa L. Waywood	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Town Council and the Utility Service Board	Pete Breuckman Donald A. Ensign	01-01-06 to 12-31-06 01-01-07 to 12-31-08
President of the Storm Water Board	Jay Rans Bruce Torbeson Glen Bookwalter Marianne Struble Dan Winn Vacant Steve Sibbrell	10-04-05 to 02-28-06 03-01-06 to 10-30-06 11-01-06 to 02-23-07 02-24-07 to 12-31-07 01-01-08 to 02-13-08 02-14-08 to 04-07-08 04-08-08 to 12-31-08
Director of Public Works	Steven Martin	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF HEBRON, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Hebron (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 Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part 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

November 5, 2008

TOWN OF HEBRON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 177,744	\$ 918,049	\$ 1,046,013	\$ 49,780
Motor Vehicle Highway	28,091	135,588	119,115	44,564
Local Road and Street	16,730	39,099	40,479	15,350
Law Enforcement Continuing Education	3,282	4,381	3,485	4,178
Garbage Fund	14,450	112,426	113,332	13,544
Riverboat	22,675	22,629	45,304	-
Community Center Operating	47,623	15,628	29,030	34,221
ICJI Law Enforcement Block Grant 2001	257	-	-	257
ICJI Local Law Enforcement Block Grant 2002	294	-	-	294
Police Equipment	677	13,000	11,322	2,355
Police Gift	1,219	908	1,593	534
Park and Recreation Savings Gift	1,990	483	-	2,473
Downtown Beautification	48,893	401	-	49,294
Police Undercover	2,996	12	2,152	856
Unsafe Building Fund	1,000	-	-	1,000
HRC Gift Savings	400	1	205	196
PCSAC Taser Guns Grant - 2005	1,675	-	1,675	-
PCSAC Taser Guns Grant - 2006	-	1,790	1,786	4
Brownfield Grant	-	62,104	62,104	-
Cumulative Capital Improvement	3,820	12,847	2,033	14,634
Cumulative Capital Development	16,118	26,793	29,371	13,540
County Economic Development Income Tax(CEDIT)	194,087	585,161	483,353	295,895
Major Moves	-	447,211	-	447,211
Proprietary Funds:				
Water Utility - Operating	119,711	2,182,402	2,191,165	110,948
Water Utility - Bond and Interest	20,648	213,357	210,955	23,050
Water Utility - Depreciation	6	-	6	-
Water Utility - Customer Deposit	45,775	22,053	21,278	46,550
Water Utility - Construction	194,471	17,679	-	212,150
Water Utility - Improvement	56,941	270	-	57,211
Wastewater Utility - Operating	26,913	912,880	901,603	38,190
Wastewater Utility - Bond and Interest	3,414	2,841	1,000	5,255
Wastewater Utility - Depreciation	258,500	248,217	248,217	258,500
Wastewater Utility - Customer Deposit	258,264	403,950	454,339	207,875
Wastewater Utility - Construction	648,584	341,487	990,071	-
Wastewater Utility - Debt Service 2005	-	51,220	51,215	5
Wastewater Utility - Debt Service Reserve - 2005	3,000	18,000	-	21,000
Wastewater Utility - Escrow Grimmer Construction	14,489	24,382	38,871	-
Wastewater Utility - Escrow Bowen Engineering	-	62,147	62,147	-
Stormwater Utility - Operating	295,598	87,036	267,816	114,818
Fiduciary Fund:				
Payroll	14,978	903,633	901,552	17,059
Totals	<u>\$ 2,545,313</u>	<u>\$ 7,890,065</u>	<u>\$ 8,332,587</u>	<u>\$ 2,102,791</u>

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

TOWN OF HEBRON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 49,780	\$ 1,144,434	\$ 1,061,740	\$ 132,474
Motor Vehicle Highway	44,564	158,364	152,681	50,247
Local Road and Street	15,350	39,194	3,400	51,144
Law Enforcement Continuing Education	4,178	3,998	3,570	4,606
Garbage Fund	13,544	137,110	148,683	1,971
Riverboat	-	22,676	-	22,676
Community Center Operating	34,221	40,366	18,581	56,006
ICJI Law Enforcement Block Grant 2001	257	-	257	-
ICJI Local Law Enforcement Block Grant 2002	294	-	294	-
Police Equipment	2,355	1,539	3,704	190
Police Gift	534	5,633	4,832	1,335
Park and Recreation Savings Gift	2,473	937	700	2,710
Downtown Beautification	49,294	435	-	49,729
Police Undercover	856	3	562	297
Unsafe Building Fund	1,000	-	-	1,000
HRC Gift Savings	196	1	-	197
PCSAC Taser Guns Grant - 2006	4	-	4	-
PCSAC BAC Data Training 07	-	600	300	300
PCSAC Intoximeters 07	-	3,606	3,606	-
Cumulative Capital Improvement	14,634	12,630	14,938	12,326
Cumulative Capital Development	13,540	13,589	21,912	5,217
County Economic Development Income Tax(CEDIT)	295,895	553,128	433,011	416,012
Major Moves	447,211	21,867	426,975	42,103
TAW Clearing	-	400,000	400,000	-
Proprietary Funds:				
Water Utility - Operating	110,948	2,177,079	2,148,669	139,358
Water Utility - Bond and Interest	23,050	213,393	211,470	24,973
Water Utility - Customer Deposit	46,550	19,346	20,671	45,225
Water Utility - Debt Reserve	212,150	-	-	212,150
Water Utility - Escrow Jeffrey Porter	57,211	285	-	57,496
Wastewater Utility - Operating	38,190	884,514	915,089	7,615
Wastewater Utility - Bond and Interest	5,255	24,203	23,402	6,056
Wastewater Utility - Debt Service 2001	258,500	246,630	246,630	258,500
Wastewater Utility - Surplus Revenue	207,875	23,000	18,000	212,875
Wastewater Utility - Debt Service 2005	5	50,895	50,895	5
Wastewater Utility - Debt Service Reserve - 2005	21,000	18,000	-	39,000
Stormwater Utility - Operating	114,818	106,425	115,077	106,166
Fiduciary Fund:				
Payroll	17,059	878,143	894,265	937
Totals	<u>\$ 2,102,791</u>	<u>\$ 7,202,023</u>	<u>\$ 7,343,918</u>	<u>\$ 1,960,896</u>

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

TOWN OF HEBRON
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.

TOWN OF HEBRON
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 for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

In 2008, the Town of Hebron started an infrastructure improvement project which included upgrading roadways and utilities. The Hebron Municipal Building Corporation was organized for the purpose of funding the \$1,000,000 project. The Corporation will complete the project and lease the facilities to the Town pursuant to a lease agreement dated October 1, 2008. The lease rental payments will be paid with Economic Development Income Tax (EDIT) funds.

TOWN OF HEBRON
 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	\$ 59,053
Buildings	848,400
Machinery and equipment	<u>616,838</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,524,291</u>
 Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 92,075
Buildings	423,000
Improvements other than buildings	3,507,061
Machinery and equipment	<u>2,014,750</u>
 Total Water Utility capital assets	 <u>6,036,886</u>
 Wastewater Utility:	
Capital assets:	
Land	22,992
Buildings	490,815
Improvements other than buildings	3,355,763
Machinery and equipment	<u>1,119,102</u>
 Total Wastewater Utility capital assets	 <u>4,988,672</u>
 Total business-type activities capital assets	 <u>\$ 11,025,558</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Police Cars(3)	\$ 46,013	\$ 17,246
Vactor Truck	204,298	40,702
Public Works Trucks(3)	<u>42,760</u>	<u>22,829</u>
Total governmental activities debt	<u>\$ 293,071</u>	<u>\$ 80,777</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
2001 series	<u>2,225,393</u>	<u>211,470</u>
Total Water Utility	<u>2,225,393</u>	<u>211,470</u>
Wastewater Utility		
Revenue bonds:		
2001 refunding	1,645,000	246,630
2005 series	<u>880,000</u>	<u>50,895</u>
Total Wastewater Utility	<u>2,525,000</u>	<u>297,525</u>
Total business-type activities debt:	<u>\$ 4,750,393</u>	<u>\$ 508,995</u>

TOWN OF HEBRON
EXAMINATION RESULT AND COMMENT

ORDINANCE VIOLATIONS

The Town is processing moving traffic violations as ordinance violations and collecting the related fines in the Clerk-Treasurer's office.

Indiana Code 36-1-6-3 states in part: "(a) Certain ordinances may be enforced by a municipal corporation without proceeding in court. . . . (c) An ordinance defining a moving traffic violation may not be enforced under Indiana Code 33-36 and must be enforced in accordance with Indiana Code 34-28-5.

Indiana Code 34-28-5-1 states in part: "An action to enforce a statute defining an infraction shall be brought in the name of the state of Indiana by the prosecuting attorney for the judicial circuit in which the infraction allegedly took place."

TOWN OF HEBRON
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2008, with Theresa L. Waywood, Clerk-Treasurer.