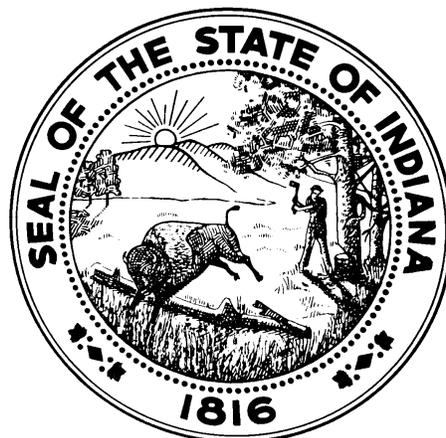


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF PARKER CITY  
RANDOLPH COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
11/04/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kim K. Walker	01-01-04 to 12-31-11
President of the Town Council	Fred Ludington	01-01-07 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PARKER CITY, RANDOLPH COUNTY, INDIANA

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

September 30, 2009

TOWN OF PARKER CITY  
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 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 100,022	\$ 302,064	\$ 317,064	\$ 85,022
Motor Vehicle Highway	21,612	54,587	44,720	31,479
Local Road and Street	4,619	8,959	5,664	7,914
Cumulative Capital Development	6,158	11,199	5,742	11,615
Cumulative Capital Improvement	3,592	4,973	2,549	6,016
Law Enforcement Continuing Education	1,257	447	355	1,349
Park Donation	5,020	549	68	5,501
Down Town Donation	528	10,000	10,148	380
CEDIT	2,614	-	-	2,614
Rainy Day	-	4,831	4,710	121
Riverboat	8,911	8,929	17,783	57
First Responders	439	3,563	2,030	1,972
Volunteer Committee	6,338	8,030	6,637	7,731
FEMA	-	5,277	3,072	2,205
Purchase/Renovation	-	35,000	15,000	20,000
Medical Account	-	4,133	4,062	71
Proprietary Funds:				
Water Utility - Operating	75,710	173,713	198,622	50,801
Water Utility - Bond and Interest	3,388	3,600	3,650	3,338
Water Utility - Depreciation	188,399	36,217	21,449	203,167
Water Utility - Customer Deposit	14,234	2,578	1,905	14,907
Wastewater Utility - Operating	47,960	179,292	211,899	15,353
Wastewater Utility - Bond and Interest	14,513	39,600	49,380	4,733
Wastewater Utility - Depreciation	24,271	6,951	7,449	23,773
Wastewater Utility - Debt Reserve	21,500	277,108	285,664	12,944
Wastewater Utility - Customer Deposit	10,019	3,807	2,446	11,380
Fiduciary Fund:				
Payroll	-	365,162	365,162	-
Totals	<u>\$ 561,104</u>	<u>\$ 1,550,569</u>	<u>\$ 1,587,230</u>	<u>\$ 524,443</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 85,022	\$ 315,961	\$ 345,989	\$ 54,994
Motor Vehicle Highway	31,479	45,462	29,927	47,014
Local Road and Street	7,914	5,065	7,089	5,890
Cumulative Capital Development	11,615	10,899	12,470	10,044
Cumulative Capital Improvement	6,016	4,765	3,775	7,006
Law Enforcement Continuing Education	1,349	861	425	1,785
Park Donation	5,501	-	750	4,751
Down Town Donation	380	100	89	391
CEDIT	2,614	50,348	4,900	48,062
Rainy Day	121	5,587	4,789	919
Riverboat	57	22,983	9,043	13,997
First Responders	1,972	3,888	3,972	1,888
Volunteer Committee	7,731	8,689	6,451	9,969
FEMA	2,205	162	2,367	-
Purchase/Renovation	20,000	5,000	25,000	-
Medical Account	71	7,900	6,939	1,032
Proprietary Funds:				
Water Utility - Operating	50,801	173,990	169,404	55,387
Water Utility - Bond and Interest	3,338	6,300	3,550	6,088
Water Utility - Depreciation	203,167	71,449	127,036	147,580
Water Utility - Customer Deposit	14,907	2,360	1,786	15,481
Wastewater Utility - Operating	15,353	212,050	217,898	9,505
Wastewater Utility - Bond and Interest	4,733	44,700	49,210	223
Wastewater Utility - Depreciation	23,773	4,441	-	28,214
Wastewater Utility - Debt Reserve	12,944	34,693	14,053	33,584
Wastewater Utility - Customer Deposit	11,380	3,540	2,377	12,543
Wastewater Utility - Stormwater	-	8,166	1,804	6,362
Fiduciary Fund:				
Payroll	-	459,537	459,537	-
Totals	<u>\$ 524,443</u>	<u>\$ 1,508,896</u>	<u>\$ 1,510,630</u>	<u>\$ 522,709</u>

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

TOWN OF PARKER CITY  
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, water, wastewater 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.

Note 6. Subsequent Event

Water Main Replacement Project

In 2009, the Town initiated a water main replacement project. The project is being funded by a Community Development Block Grant in the amount of \$430,000 with a local match in the amount of \$85,000. The project was substantially complete in September 2009.

TOWN OF PARKER CITY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

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 are not being reported retroactively prior to 2004. As the government constructs or acquires new infrastructure assets, they will be reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,000
Buildings	35,973
Improvements other than buildings	67,078
Machinery and equipment	<u>340,793</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 445,844</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 4,120
Construction in progress	72,203
Buildings	67,824
Improvements other than buildings	832,210
Machinery and equipment	<u>136,826</u>
 Total Water Utility capital assets	 <u>1,113,183</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	5,108
Construction in progress	328,249
Buildings	146,834
Improvements other than buildings	2,342,356
Machinery and equipment	<u>173,804</u>
 Total Wastewater Utility capital assets	 <u>2,996,351</u>
 Total business-type activities capital assets	 <u>\$ 4,109,534</u>

TOWN OF PARKER CITY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
Loan payable	\$ 11,256	\$ 9,082
<b>Business-type Activities:</b>		
Water Utility		
Revenue bonds:		
Waterworks improvements	\$ 29,000	\$ 3,450
Wastewater Utility		
Loan payable:		
State revolving fund loan for sewage works improvements	267,000	49,010
<b>Total business-type activities debt:</b>	<b>\$ 296,000</b>	<b>\$ 52,460</b>

TOWN OF PARKER CITY  
EXAMINATION RESULTS AND COMMENTS

HANDGUN PERMIT APPLICATION FEES

Our test of the fees collected for handgun permit applications disclosed that persons applying for a lifetime handgun license who did not possess a valid Indiana handgun license were charged a fee of \$40 instead of the \$50 fee required by Indiana Code.

IC 35-47-2-3 (b) states in part:

"The law enforcement agency which accepts an application for a handgun license shall collect the following application fees: . . . (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty dollar (\$50) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
Cumulative Capital Development	2008	\$ 1,469

In both the years 2007 and 2008, expenditures were made from the Rainy Day Fund and the Riverboat Fund without being appropriated.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

IC 36-1-8-5.1(c) states: "The rainy day fund is subject to the same appropriation process as other funds that receive tax money."

IC 4-33-13-5 (f), which sets out the uses of tax funds deposited in the Riverboat Fund, states in part: "Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes: . . . (5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county."

TOWN OF PARKER CITY  
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2009, with Kim K. Walker, Clerk-Treasurer; and Fred Ludington, President of the Town Council. The officials concurred with our findings.