

**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, 2007 to December 31, 2008



**FILED**  
12/14/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Opal McDannald	01-01-04 to 12-31-11
President of the Town Council	Richard Cottrell Tommy Noble III Keith Bechtel	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of Water Utility	James Huff	01-01-07 to 12-31-09
Superintendent of Wastewater Utility	Jeremy Wesner	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 ODON, DAVIESS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Odon (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 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 15, 2009

TOWN OF ODON  
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	\$ 167,189	\$ 270,333	\$ 311,602	\$ 125,920
Motor Vehicle Highway	87,235	60,036	76,661	70,610
Local Road and Street	2,076	8,090	6,400	3,766
Park and Recreation	26,404	30,247	31,563	25,088
Law Enforcement Continuing Education	7,933	1,710	355	9,288
Riverboat	16,406	8,677	12,865	12,218
Fire Protection	48,799	39,587	24,399	63,987
Park Community Building Fund	1,854	3,086	4,940	-
Cumulative Capital Improvement	4,177	4,833	6,254	2,756
Cumulative Capital Development	19,778	13,757	5,000	28,535
Community Economic Development Income Tax	361	36,797	30,000	7,158
Levy Excess	4,081	-	4,081	-
Park Nonreverting Capital	3,761	1,917	-	5,678
Proprietary Funds:				
Water Utility - Operating	371,736	472,250	408,795	435,191
Water Utility - Bond and Interest	55,092	78,612	73,576	60,128
Water Utility - Depreciation	35,840	2,291	-	38,131
Water Utility - Customer Deposit	7,949	2,350	2,789	7,510
Water Utility - Construction	53,793	2,552	-	56,345
Water Utility - Reserve	10,090	5,075	-	15,165
Wastewater Utility - Operating	240,077	329,915	296,221	273,771
Wastewater Utility - Bond and Interest	67,419	40,698	57,750	50,367
Wastewater Utility - Depreciation	14,137	-	-	14,137
Wastewater Utility - Customer Deposit	20	-	20	-
Wastewater Utility - Construction	66,559	1,660	-	68,219
Fiduciary Fund:				
Payroll	3,711	228,700	228,951	3,460
Totals	<u>\$ 1,316,477</u>	<u>\$ 1,643,173</u>	<u>\$ 1,582,222</u>	<u>\$ 1,377,428</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 125,920	\$ 378,608	\$ 404,370	\$ 100,158
Motor Vehicle Highway	70,610	43,132	51,689	62,053
Local Road and Street	3,766	5,605	3,875	5,496
Park and Recreation	25,088	27,703	26,682	26,109
Law Enforcement Continuing Education	9,288	3,914	1,434	11,768
Riverboat	12,218	8,632	6,667	14,183
Rainy Day	-	10,188	4,896	5,292
Odon Wellness	-	413	-	413
Fire Protection	63,987	18,477	16,682	65,782
Park Community Building Fund	-	95,765	37,091	58,674
Cumulative Capital Improvement	2,756	4,475	4,200	3,031
Cumulative Capital Development	28,535	11,752	-	40,287
Community Economic Development Income Tax	7,158	6,459	5,000	8,617
Park Nonreverting Capital	5,678	40,252	24,018	21,912
Proprietary Funds:				
Water Utility - Operating	435,191	347,512	422,625	360,078
Water Utility - Bond and Interest	60,128	78,714	75,260	63,582
Water Utility - Depreciation	38,131	-	-	38,131
Water Utility - Customer Deposit	7,510	2,920	1,880	8,550
Water Utility - Construction	56,345	-	-	56,345
Water Utility - Improvement	15,165	5,100	-	20,265
Wastewater Utility - Operating	273,771	397,522	449,467	221,826
Wastewater Utility - Bond and Interest	50,367	31,659	42,000	40,026
Wastewater Utility - Depreciation	14,137	-	-	14,137
Wastewater Utility - Construction	68,219	-	-	68,219
Fiduciary Fund:				
Payroll	3,460	296,170	296,736	2,894
Totals	<u>\$ 1,377,428</u>	<u>\$ 1,814,972</u>	<u>\$ 1,874,572</u>	<u>\$ 1,317,828</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, general administrative, water, and wastewater 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 for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

The Town received a \$500,000 Community Development Block Grant in 2009 for the construction of a new community building. The building was completed September 2009.

TOWN OF ODON  
 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 21,675
Buildings	135,141
Improvements other than buildings	199,549
Machinery and equipment	<u>585,226</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>941,591</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 33,600
Improvements other than buildings	1,426,763
Machinery and equipment	<u>255,832</u>
 Total Water Utility capital assets	 <u>1,716,195</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	14,800
Buildings	1,833,215
Machinery and equipment	<u>160,549</u>
 Total Wastewater Utility capital assets	 <u>2,008,564</u>
 Total business-type activities capital assets	 \$ <u>3,724,759</u>

TOWN OF ODON  
 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
Business-type Activities:		
Water Utility		
Loan Payable :		
Water Utility Improvements	\$ 429,568	\$ 20,000
Revenue bonds:		
Water Revenue Bonds of 1981	<u>327,000</u>	<u>41,200</u>
Total business-type activities	<u>\$ 756,568</u>	<u>\$ 61,200</u>

TOWN OF ODON  
EXIT CONFERENCE

The contents of this report were discussed on October 15, 2009, with Opal McDannald, Clerk-Treasurer; and by telephone with Keith Bechtel, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.