

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

EXAMINATION REPORT
OF
TOWN OF DENVER
MIAMI COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
06/24/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Titus (deceased) Vacant Mary Raider	01-01-04 to 01-14-08 01-15-08 to 02-03-08 02-04-08 to 12-31-11
President of the Town Council	Allen Hetzner	01-01-06 to 12-31-10



STATE OF INDIANA
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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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DENVER, MIAMI COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Denver (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

June 9, 2010

TOWN OF DENVER
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 8,478	\$ 96,246	\$ 88,422	\$ 16,302
Motor Vehicle Highway	24,973	32,512	39,168	18,317
Local Road and Street	9,280	2,438	369	11,349
County Economic Development Income Tax	13,419	1,670	2,822	12,267
Excess Levy	1,618	-	1,618	-
Rainy Day	919	165	-	1,084
Cumulative Capital Improvement	15,663	1,759	-	17,422
Cumulative Capital Development	7,789	4,922	100	12,611
Cumulative Fire	12,143	3,276	1,646	13,773
Fire Station Grant Fund	1,098	157,878	158,591	385
Proprietary Funds:				
Wastewater Utility - Operating	47,844	135,856	90,239	93,461
Wastewater Utility - Bond and Interest	16,940	21,000	36,970	970
Wastewater Utility - Depreciation	20,000	-	-	20,000
Wastewater Utility - Reserve	20,500	-	-	20,500
Totals	\$ 200,664	\$ 457,722	\$ 419,945	\$ 238,441
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 16,302	\$ 64,262	\$ 60,274	\$ 20,290
Motor Vehicle Highway	18,317	14,231	16,296	16,252
Local Road and Street	11,349	2,329	5,500	8,178
County Economic Development Income Tax	12,267	1,751	113	13,905
Rainy Day	1,084	729	-	1,813
Cumulative Capital Improvement	17,422	1,659	973	18,108
Cumulative Capital Development	12,611	2,798	200	15,209
Cumulative Fire	13,773	2,066	-	15,839
Fire Station Grant Fund	385	-	10	375
Proprietary Funds:				
Wastewater Utility - Operating	93,461	106,504	92,976	106,989
Wastewater Utility - Bond and Interest	970	21,000	20,250	1,720
Wastewater Utility - Depreciation	20,000	-	-	20,000
Wastewater Utility - Reserve	20,500	-	-	20,500
Totals	\$ 238,441	\$ 217,329	\$ 196,592	\$ 259,178

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

TOWN OF DENVER
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 DENVER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 25,271	\$ 7,103
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
2004 Sewage Works Refunding Revenue Bonds	\$ 86,000	\$ 20,300

TOWN OF DENVER
EXAMINATION RESULTS AND COMMENTS

DELINQUENT WASTEWATER ACCOUNTS

Delinquent Wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. A similar comment was noted in prior Reports B27371 and B32449.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (a) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
 - (b) A description of the premises, as shown by the records of the county auditor; and
 - (c) The amount of the delinquent fees, together with the penalty; or
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

TOWN OF DENVER
EXAMINATION RESULTS AND COMMENTS
(Continued)

TEMPORARY TRANSFER OF FUNDS

A temporary transfer of \$1,618 was made in 2008 from the Levy Excess Fund to the General Fund; \$20,000 was also made in 2008 from the Motor Vehicle Highway Fund to the General Fund; the General Fund did repay \$8,000 back to Motor Vehicle Highway Fund, but no other repayments were made by December 31, 2008. Again, temporary transfers of \$7,500 were made in 2009 from the Motor Vehicle Highway Fund to the General Fund, and \$2,500 from the Local Road and Street Fund to the General Fund. These transfers have not been repaid as of December 31, 2009. No mention in board minutes of any resolution or ordinance passed to approve transfers. A similar comment was noted in prior Report B32449.

IC 36-1-8-4 concerning temporary transfer states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

TOWN OF DENVER
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2010, with Mary A. Raider, Clerk-Treasurer. The official concurred with our findings.