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**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, 2008 to December 31, 2009



**FILED**  
12/06/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donald Driskill	01-01-08 to 12-31-11
President of the Town Council	Louis W. Schultz Robert Dent	01-01-08 to 12-31-08 01-01-09 to 12-31-10
Superintendent of Water Utility	Earl Horst	01-01-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 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 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

September 9, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 33,817	\$ 5,355	\$ 11,985	\$ 27,187
Motor Vehicle Highway	41,054	12,408	5,322	48,140
Local Road and Street	7,005	1,477	1,901	6,581
Street	1,092	-	-	1,092
County Economic Development Income Tax	11,270	1,136	-	12,406
County Option Income Tax	6,452	2,569	372	8,649
Rainy Day	2,554	1,464	3,400	618
Riverboat	1,785	1,775	-	3,560
Cumulative Capital Improvement	7,732	477	1,239	6,970
Levy Excess	4,087	-	-	4,087
Proprietary Funds:				
Water Utility - Operating	35,725	44,340	46,488	33,577
Water Utility - Depreciation	6,075	81	-	6,156
Water Utility - Customer Deposit	3,920	240	445	3,715
	<u>\$ 162,568</u>	<u>\$ 71,322</u>	<u>\$ 71,152</u>	<u>\$ 162,738</u>
Totals				
	<u>\$ 162,568</u>	<u>\$ 71,322</u>	<u>\$ 71,152</u>	<u>\$ 162,738</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 27,187	\$ 94,269	\$ 86,387	\$ 35,069
Motor Vehicle Highway	48,140	11,888	20,474	39,554
Local Road and Street	6,581	1,399	-	7,980
Street	1,092	-	-	1,092
County Economic Development Income Tax	12,406	707	-	13,113
County Option Income Tax	8,649	1,872	-	10,521
Rainy Day	618	1,026	-	1,644
Riverboat	3,560	1,771	-	5,331
Cumulative Capital Improvement	6,970	1,355	100	8,225
Levy Excess	4,087	-	4,087	-
Proprietary Funds:				
Water Utility - Operating	33,577	41,234	41,699	33,112
Water Utility - Depreciation	6,156	37	-	6,193
Water Utility - Customer Deposit	3,715	125	85	3,755
	<u>\$ 162,738</u>	<u>\$ 155,683</u>	<u>\$ 152,832</u>	<u>\$ 165,589</u>
Totals				
	<u>\$ 162,738</u>	<u>\$ 155,683</u>	<u>\$ 152,832</u>	<u>\$ 165,589</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

The Town was awarded Disaster Recovery grant funds passed through the Indiana Office of Community and Rural Affairs totaling \$1,000,000. The funds, project no. DR2-09-097, are to be used to construct a stormwater drainage system in the Town. The award date was August 9, 2010. The project is expected to begin on January 1, 2011, and be completed by February 28, 2012.

TOWN OF DECKER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

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	10,383
Machinery and equipment	<u>24,710</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 99,313</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>16,150</u>
 Total Water Utility capital assets	 <u>\$ 871,492</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Due Within One Year
Business-type activities:		
Water Utility:		
Water grant loan payable	\$ 117,268	\$ 10,925

TOWN OF DECKER  
EXAMINATION RESULTS AND COMMENTS

FUND SOURCES AND USES

Grant receipts and disbursements were incorrectly recorded in the General Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

When funds are provided by the federal government either directly to a city or town or through a state agency for any program or project, the following procedures should be followed:

Where federal funds are "advanced" to the city or town through a state agency or department with no state funds added thereto prior to making any distributions, the money should be placed in a separate project fund and subsequent disbursements made from that fund. No appropriation of the federal funds is required. (Uniform and Compliance Guidelines Bulletin for Cities and Towns, March 2009)

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 eight 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 the prior report.

SALES TAX

Sales tax was paid on all Vectren gas utility billings during the examination period. Total sales taxes paid during 2008 and 2009 were \$54.46 and \$61.00, respectively.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF DECKER  
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2010, with Donald Driskill, Clerk-Treasurer, and Patricia Doades, Town Council member.