

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF PIERCETON

KOSCIUSKO COUNTY, INDIANA

January 1, 2003 to December 31, 2004



FILED
09/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet L. Castle	01-01-00 to 12-31-07
President of the Town Council	Jerry F. Kreger	01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PIERCETON, KOSCIUSKO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Pierceton (Town), for the period of January 1, 2003 to December 31, 2004. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003 and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 16, 2006

TOWN OF TOWN OF PIERCETON
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, 2003 And 2004

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 93,833	\$ 166,282	\$ 240,438	\$ 19,677
Motor Vehicle Highway	54,095	21,581	6,449	69,227
Local Road and Street	52,299	7,641	22,791	37,149
Park and Recreation	678	6,099	5,968	809
Park Nonreverting Operating	31,063	12,252	13,683	29,632
Law Enforcement Continuing Education	5,493	991	2,540	3,944
TIF	281,238	83,061	11,494	352,805
Police Grant	1	450	451	-
Senior Center Donation	1,000	-	860	140
DARE	375	513	-	888
Housing Grant	-	145,380	145,380	-
Cumulative Capital Improvement	27,063	2,524	-	29,587
Cumulative Capital Development	34,575	5,381	703	39,253
County Economic Development Income Tax	143,404	39,842	89,400	93,846
Industrial Development	28,223	-	-	28,223
Proprietary Funds:				
Water Utility - Operating	80,128	212,880	220,193	72,815
Water Utility - Bond and Interest	100,600	42,458	35,193	107,865
Water Utility - Depreciation	936	-	-	936
Water Utility - Customer Deposit	13,129	2,765	2,525	13,369
Wastewater Utility - Operating	134,421	231,845	223,610	142,656
Wastewater Utility - Bond and Interest	98,195	42,830	42,187	98,838
Wastewater Utility - Improvement	56,314	483	-	56,797
Fiduciary Funds:				
McNamara	11,282	42	-	11,324
Payroll	4,713	93,165	93,747	4,131
Totals	\$ 1,253,058	\$ 1,118,465	\$ 1,157,612	\$ 1,213,911
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 19,677	\$ 407,262	\$ 241,720	\$ 185,219
Motor Vehicle Highway	69,227	22,538	16,220	75,545
Local Road and Street	37,149	7,978	18,387	26,740
Park and Recreation	809	12,719	8,909	4,619
Park Nonreverting Operating	29,632	1,879	2,126	29,385
Law Enforcement Continuing Education	3,944	755	980	3,719
TIF	352,805	249,247	12,019	590,033
Senior Center Donation	140	-	-	140
DARE	888	61	298	651
Cumulative Capital Improvement	29,587	2,601	525	31,663
Cumulative Capital Development	39,253	25,571	330	64,494
County Economic Development Income Tax	93,846	41,947	-	135,793
Industrial Development	28,223	-	-	28,223
Proprietary Funds:				
Water Utility - Operating	72,815	215,010	234,971	52,854
Water Utility - Bond and Interest	107,865	43,730	34,492	117,103
Water Utility - Depreciation	936	-	-	936
Water Utility - Customer Deposit	13,369	2,170	2,020	13,519
Wastewater Utility - Operating	142,656	246,921	331,273	58,304
Wastewater Utility - Bond and Interest	98,838	41,510	42,782	97,566
Wastewater Utility - Construction	-	1,350,666	73,771	1,276,895
Wastewater Utility - Improvement	56,797	124	-	56,921
Fiduciary Funds:				
McNamara	11,324	-	-	11,324
Payroll	4,131	91,039	89,461	5,709
Totals	\$ 1,213,911	\$ 2,763,728	\$ 1,110,284	\$ 2,867,355

The accompanying notes are an integral part of the schedules.

TOWN OF PIERCETON
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, 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. Long-Term Debt

The Town has entered into revenue bonds for water utility improvements, revenue bonds for wastewater utility improvements, and a loan for conducting closure of underground storage tanks at a brownfields site. The outstanding principal at December 31, 2004, was \$250,000, \$1,645,000, and \$42,302, respectively.

TOWN OF PIERCETON
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2006, with Janet L. Castle, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.