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

EXAMINATION REPORT
OF
TOWN OF DECKER
KNOX COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
11/21/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donald Driskill	01-01-04 to 12-31-07
President of the Town Council	Louis W. Schultz	01-01-04 to 12-31-04
	Patricia Doades	01-01-05 to 12-31-05
	Robert Dent	01-01-06 to 12-31-06
Superintendent of Water Utility	Charles Douglas	01-01-04 to 12-31-05
	Herbert Hastings	01-01-06 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DECKER, KNOX COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Decker (Town), for the period of January 1, 2004 to December 31, 2005. 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, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 29, 2006

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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 25,378	\$ 16,683	\$ 13,665	\$ 28,396
Motor Vehicle Highway	62,002	10,630	17,256	55,376
Local Road and Street	17,668	1,673	14,892	4,449
Street	1,092	-	-	1,092
County Economic Development Income Tax	6,349	1,196	-	7,545
County Option Income Tax	887	651	-	1,538
Cumulative Capital Improvement	39,198	1,266	3,313	37,151
Levy Excess	545	-	-	545
Proprietary Funds:				
Water Utility - Operating	13,452	27,070	34,057	6,465
Water Utility - Bond and Interest	24,871	38	17,000	7,909
Water Utility - Depreciation	2,871	23	-	2,894
Water Utility - Customer Deposit	3,774	510	214	4,070
Water Utility - Grant	-	431,948	431,948	-
Water Utility - Loan	98,333	-	87,476	10,857
Totals	<u>\$ 296,420</u>	<u>\$ 491,688</u>	<u>\$ 619,821</u>	<u>\$ 168,287</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 28,396	\$ 51,737	\$ 42,023	\$ 38,110
Motor Vehicle Highway	55,376	11,030	4,448	61,958
Local Road and Street	4,449	1,659	759	5,349
Street	1,092	-	-	1,092
County Economic Development Income Tax	7,545	1,753	338	8,960
County Option Income Tax	1,538	1,044	-	2,582
Cumulative Capital Improvement	37,151	490	19,279	18,362
Levy Excess	545	-	-	545
Proprietary Funds:				
Water Utility - Operating	6,465	58,340	41,976	22,829
Water Utility - Bond and Interest	7,909	4,402	12,311	-
Water Utility - Depreciation	2,894	3,046	-	5,940
Water Utility - Customer Deposit	4,070	260	520	3,810
Water Utility - Grant	-	68,052	68,052	-
Water Utility - Loan	10,857	-	10,857	-
Totals	<u>\$ 168,287</u>	<u>\$ 201,813</u>	<u>\$ 200,563</u>	<u>\$ 169,537</u>

The accompanying notes are an integral part of the schedules.

TOWN OF DECKER
NOTES TO SCHEDULES

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.

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 a loan for a well. The outstanding principal at December 31, 2005, was \$139,412.

TOWN OF DECKER
EXAMINATION RESULT AND COMMENT

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 four 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)

TOWN OF DECKER
EXIT CONFERENCE

The contents of this report were discussed on October 2, 2006, with Donald Driskill, Clerk-Treasurer; and Patricia Doades, Town Council member. The officials concurred with our finding.