

Tips For Taxpayers

No. Twelve

Salaries paid employees constitute one of the largest items of business expense. To be allowed as a deduction such claims must conform closely to the wording of the statute, which provides for the deduction of "a reasonable allowance for personal services actually rendered." The test of deductibility is whether the amounts paid are reasonable and whether they are, in fact, purely for personal services. Money paid an officer of a corporation for which no services, or services inadequate to the compensation, are rendered is not deductible as "salary." Reasonable compensation is held to be an amount that ordinarily is paid by like enterprises in like circumstances for like services.

Bonuses to employees may be deducted by employers when such payments are made in good faith as additional compensation for services actually rendered, provided that, when added to the stipulated salaries, the total does not exceed "a reasonable compensation for services rendered."

When the amount of a salary of an officer or employee is paid for a limited time to a widow or heirs in recognition of services rendered by the deceased, such payments may be deducted.

Methodists To Build New Orphanage At Goshen

Goshen, Ind., Feb. 25.—(INS)—The construction of a new orphanage was voted by the trustees of the Bashor Orphanage Association and members of the finance committee of the Woman's Home Missionary Society of the North Indiana conference of the Methodist Episcopal church.

Construction of the building was ordered for early in the spring. It is to be built on a farm donated for the purpose by Mr. and Mrs. William Bashor.

A building committee was appointed which was composed of the following: Rev. John C. White, Tipton; Rev. C. H. Smith, Goshen; Rev. F. E. Fribley, Elkhart; Mrs. A. G. Hooven, Elkhart; Mrs. P. F. Thornburg, Richmond; Mrs. Paul McGuffey, Markle.

Annual Report of the Water Department of the City Light and Power Plant

JANUARY 1, 1927—DECEMBER 31, 1927

The Water Department of the City Light and Power Plant did a total business of \$27,545.31, with a total operating expense, including a depreciation charge of \$5,991.04, of \$22,473.37, leaving a net credit balance of \$5,071.94. To this is added a credit of \$863.67 from non-operating income, making a total credit balance of \$5,935.61. The attention of taxpayers of the city is called to the following report:

COST OF PLANT AND EQUIPMENT

Cost of plant and equipment at beginning of year	\$174,437.79
Additions during the year	\$ 7,530.16
Total cost of plant and equipment	\$181,967.95
Less depreciation	\$ 5,991.04
Value of plant and equipment at end of year	\$175,976.91

ANNUAL DEPRECIATION

Total cost of plant and equipment	\$181,967.96
Less land value	\$ 12,250.00
	\$169,717.95
3.53% of	\$169,717.95
Total depreciation	\$ 5,991.04

MATERIAL AND SUPPLIES

STOCK ACCOUNT

	On hand Jan. 1 1927	Used during year	Added during year	On hand Dec. 31 1927
Pumping station supplies	\$ 491.38	\$ 491.38	\$	\$
Main piping and fittings	\$ 716.38	\$1366.89	\$1334.90	\$ 684.39
Service piping and fittings	\$ 616.21	\$ 572.93	\$ 374.06	\$ 417.34
Meter repair parts	\$ 360.97	\$ 249.15	\$ 340.22	\$ 252.04
Meters and connections	\$ 141.16	\$ 488.86	\$ 407.45	\$ 64.75
Hydrants and repairs	\$ 331.18	\$ 201.40	\$ 312.24	\$ 442.02
Miscellaneous material and repairs	\$ 117.85	\$ 392.10	\$ 330.13	\$ 55.88
Shop tools and equipment	\$2336.55	\$ 249.05	\$ 689.38	\$2776.88
Total	\$4625.30	\$4011.76	\$4279.76	\$4893.30

SUNDRY SALES

Water department sundry sales filed with the City Treasurer for collection are as follows:	
Repairs charged to property owners for frozen meters, etc.	\$ 43.22
Miscellaneous sales	\$658.45
Total	\$701.67

PUMPING OPERATING COST

Electric current purchased.....439330 K.W.H. @ .025	\$10,983.25
Pumping station supplies and expenses	\$ 491.38
Maintenance of pumping station equipment	\$ 126.61
Maintenance of source of supply	\$ 139.28
Maintenance of pumping station buildings, fixtures and grounds	\$ 159.90
Total pumping operating expense	\$11,900.42

DISTRIBUTION OPERATING EXPENSE

Distribution system supplies and expense	\$ 283.64
Maintenance of transmission mains	\$
Maintenance of distribution mains	\$ 186.31
Maintenance of services	\$ 739.75
Maintenance of hydrants	\$ 151.72
Maintenance of meters	\$1273.56
Maintenance of basins, fountains and troughs	\$
Maintenance of buildings, fixtures and grounds	\$
Total distribution operating expense	\$2634.98

GENERAL OPERATING EXPENSE

General office salaries	\$1000.00
Collection expense (Reading meters, etc.)	\$ 330.16
Promotion of business expense (Advertising, etc.)	\$ 43.20
General office supplies and expenses	\$ 83.05
Injuries and damages	\$
Insurance	\$ 265.48
Stationery and printing	\$ 25.00
Operation of utility equipment	\$ 97.57
Maintenance of utility equipment	\$ 42.10
Maintenance of utility equipment building and grounds	\$
Miscellaneous general expense	\$ 60.37
Total general operating expense	\$1946.33

SUMMARY OF OPERATING EXPENSES

Total pumping operating expenses	\$11,900.42
Total distribution operating expenses	\$ 2634.98
Total general operating expenses	\$ 1946.93
Total operating expenses	\$16,482.33

OPERATING REVENUES

Earnings from commercial and industrial sales	\$19720.45
Earnings from municipal hydrant rentals	\$ 7780.00
Earnings from sales to municipal departments	\$ 32.00
Miscellaneous earnings	\$ 12.86
Total operating revenues	\$27545.31

OPERATING EXPENSES AND DEPRECIATION

Total operating expenses	\$16422.33
Depreciation (Not being set aside)	\$ 5991.04
Total operating expenses and depreciation	\$22473.37

SUMMARY-INCOME ACCOUNT

Total operating revenues	\$27545.31
Total operating expenses and depreciation	\$22473.37
Net operating revenue	\$ 5071.94
Net operating revenues	\$ 5071.94
Non-operating revenues	\$ 863.67
GROSS INCOME	\$ 5935.61

RECEIPTS AND DISBURSEMENTS

INCOME

Balance of accounts December 31, 1926	\$ 4493.88
Cash receipts during year 1927	\$29493.65
Total income	\$33987.53

DISBURSEMENTS

Amount expended for reconstruction, replacement, operation and supplies	\$17008.77
Amount expended for bonds and interest	\$ 1800.00
Amount expended for construction, additions and extensions	\$ 7530.16
Total disbursements	\$26338.93
Total income	\$33987.53
Total disbursements	\$26338.93

ASSETS AND LIABILITIES

ASSETS

Cost of Property and Plant close of year 1927	\$131967.93
Cash	\$ 7648.60
Notes receivable	\$ 525.71
Accounts receivable, unpaid earnings on Oct. 1, 1927	\$ 975.26
Interest receivable	\$ 25.50
Material and supplies on hand	\$ 4893.30
Fourth quarterly earnings due after January 1, 1928	\$ 5400.36
Total assets	\$201436.68

LIABILITIES

Funded debt	\$ 4500.00
Fourth quarterly current due in January 1928	\$ 3254.25
Total liabilities	\$ 7754.25

FUNDED INDEBTEDNESS

Bonds outstanding December 31, 1926	\$ 6000.00
Amount paid on bond issue during year 1927	\$ 1500.00
Balance outstanding	\$ 4500.00

DISTRIBUTION MAINS (FEET)

In use first of year	76499
Laid during year	1545
Total for year	78044

HYDRANTS

Hydrants first of year	Added during year	Removal during year	Hydrants close of year
124	2	0	126

RESERVOIRS

1—Brick reservoir with concrete cover	Capacity 135,000 gallons
1—Concrete reservoir with concrete cover	Capacity 214,000 gallons
Total storage	349,000

STATION PUMPING STATISTICS

Total amount of water pumped during year	128,542,000 gal.
Maximum amount of water pumped in any one day (Dec. 14, 1927)	559,000 gal.
Minimum amount of water pumped in any one day (Apr. 24, 1927)	120,000 gal.
Average daily pumpage for year 1927	352,170 gal.
Range of ordinary pressure on mains	27 to 32 pounds
Range of fire pressure on mains	40 to 65 pounds

MONTHLY-STATION PUMPING RECORD IN GALLONS

January	February	March	April	May	June	July	August	September	October	November	December	Total
8,577,000 gal.	7,823,000 gal.	8,318,000 gal.	7,341,000 gal.	8,688,000 gal.	11,536,000 gal.	12,383,000 gal.	11,693,000 gal.	12,321,000 gal.	12,930,000 gal.	13,094,000 gal.	13,838,000 gal.	128,542,000 gallons
												Year 1926
												Year 1927

GENERAL INFORMATION

Total operating revenues	\$28576.41	\$27545.31
Total operating expenses	\$24709.72	\$22473.37
Total Non-operating revenues	\$ 491.07	\$ 863.67
Gross Income	\$ 4357.76	\$ 5935.61
Electric power pumping cost	\$14817.16	\$14817.16
Material and supplies on hand	\$ 4893.30	\$ 4893.30
Addition to plant and equipment	\$ 6699.27	\$ 7530.16

Our water plant was originally constructed in the year 1896 at a cost of \$71,144.51 and since that time additions have been added to both plant and equipment to the amount of \$110,823.44 making the present value on January 1, 1928 \$181,967.95. Improvements have amounted to \$110,823.44 within the last 32 years and of this amount \$55,407.35 has been added within the last seven years.

On Sept. 1, 1892 the present tract of land for the water works was purchased from the County Commissioners for the sum of \$150.00 in money and the free water for the County House and Jail for a period of 15 years. Eight wells were constructed on this ground in the year 1892.

Bids were received for the construction of the plant Sept. 18, 1894 but the same was rejected by the Council. New plans were made and bids received again on May 15, 1895. Injunction proceedings followed and the awarding of the contract was postponed.

The Decatur Water Works Company was then organized with G. Christen, president and E. X. Ehinger as secretary, who were granted a franchise to construct, operate and maintain a water works system in the city and they entered into contract on June 15, 1895 and the same was completed Feb. 13, 1896. The City of Decatur purchased the plant and equipment from the Decatur Water Works Company on January 7, 1896.

Since the year 1920 the plant has been changed from a steam operated plant to an electrically operated system. Three motor driven pumps have been added and one of these is a fire pump with dual drive, steam and motor. An extra air compressor has been added which delivers double the capacity of air delivered for pumping the water from the wells. All this electrically operated equipment have other steam operated equipment in reserve for emergency use.

Our water supply has been sufficient for the last seven years and never have we been compelled to limit the supply of water to the citizens or been called upon to enforce the "Sprinkling Time Limit Ordinance."

In order to maintain our past program of re-investing our depreciation reserve fund in the plant and equipment and especially to provide a reserve of the water source of supply, I would recommend that a new well be constructed on the lot recently purchased in the Niblick Heirs Addition in order to guard against a future shortage of water which has so greatly menaced some of our neighboring cities and also that additional mains be constructed where deemed necessary by the Committee.

In conclusion let me say that past records cannot help but convince us that our municipally owned plant, operated free from politics, has first of all served its primary mission, that of furnishing at all times an abundance of pure water at a reasonable charge to the community which it serves and secondly that instead of providing dividends to stockholders in a Private plant you have increased your investment in the sum of \$110,823.44 since the same has become a municipally owned plant.

All of which is most respectfully submitted,
ORVAL HARRUFF, Superintendent.

WATER DEPARTMENT

CITY OF DECATUR LIGHT AND POWER PLANT.

WATER SERVICE FOR DECATUR

PUBLIC SALE

We will offer at public sale, at the R. W. Hawk residence in East Rockford, Wayne Ave., Concrete Route 54, beginning at 10 a. m., on

WEDNESDAY, FEBRUARY 29, 1928

the following property, to-wit:

CATTLE—23—HEAD HORSES—18—MULES

CATTLE—25 HEAD—Guernsey cow, with calf by side, 3 years old; Jersey and Guernsey cow with calf by side, 3 years old; Guernsey cow with calf by side, 3 years old; Brindle cow with calf by side, 6 years old; Jersey and Holstein cow, fresh by day of sale, 3 years old; Guernsey cow, fresh by day of sale, 3 years old; Guernsey cow, fresh March 15, 6 years old; Brindle cow, fresh March 20, 4 years old; 2 Guernsey heifers, fresh March 20, 2 years old; Brindle heifer, fresh last of March, 3 years old; Jersey heifer, fresh last of March, 2 years old; Guernsey cow, fresh last of April, 7 years old; Guernsey heifer, bred, 2 years old; Brindle heifer, 3 years old, fresh last of April, giving good flow of milk; Spotted cow, giving good flow of milk; Jersey cow, 4 years old, will be fresh Aug. 4, giving 2½ gal. of milk per day; coming yearling Guernsey heifer; Yearling Roan steer; 3 Guernsey Bulls coming yearlings; Jersey cow, calf by side, 6 years old; Guernsey full glow cow, 3 years old.

HOGS—43—HEAD—2 good white brood sows, will farrow by April 15; good spotted brood sow, will farrow by May 1; 40 head of feeding shoats, will weigh from 60 to 100 lbs. each.

SHEEP—33 Head of Ewes from coming yearlings to 5-year-old and one Oxford buck.

Farming Implements—Fordson Tractor and Plows

Lunch served by Ladies of M. E. Church

R. W. HAWK, CHAS. SHINDELDECKER

Johnson, Bevington and Caywood, Auctioneers Marion Pond, Clerk
Terms made known on day of sale.

Moser's Sale

Clean sweep sale of High Grade Fine Stock, Implements, Hay and Grain, etc., at my residence, 1¼ miles northwest of Linn Grove, Adams county, or 9 miles southeast of Bluffton, 5 miles west, ¼ miles north of Berne. (EVERYTHING MUST SELL REGARDLESS OF PRICE)

TUESDAY, FEBRUARY 28, 1928

Sale beginning at 10 A. M. sharp

158 HEAD OF LIVE STOCK

CATTLE—80 HEAD

10 Holstein cows, all young, will weigh from 1200 to 1600 pounds, all due to freshen during March and April. These are cows that produce from 8 to 9 gallons of milk daily, and are in extra good flesh. 12 good young cows with calves by side, herd includes Holsteins, Jersey and Guernseys; 60 head of heifers, Holsteins, Jerseys, Guernseys and Durhams, some are heavy springers.

Durham bull and Guernsey bull.

If you are looking for good cows and heifers, here is a herd that will pay you to look over.

POULTRY—100 HEAD

HOGS—70 HEAD

Five tried sows and 10 bred gilts, due to farrow in March and April. Durocs and Chester Whites; 48 head of feeding shoats, weigh from 30 lbs. to 100 lbs.; 8 boars, weigh from 175 lbs. to 200 lbs.; full-blooded Duroc male hog; young white male hog.

GRAIN AND HAY

Fifteen tons of No. 1 timothy hay, and several tons of mixed hay; 600 bushels of good corn in crib.

HORSES—8 HEAD

Gray team, extra good, coming 8 years old, wt. 3500 pounds; black team, coming 9 years old, wt. 3200 lbs.; bay horse, 7 years old, weight 1300 lbs.; gray horse, weighs 1300 pounds; two other horses not described.

IMPLEMENTS

1927 Fordson tractor, just as good as new, with new Moline corn plow attached to tractor, capable to cultivate from 15 to 20 acres of corn a day; 1922 Fordson tractor, with new engine and new worm gear and main bearing, good as new; 6-roller corn husker, in extra good shape, has never been out in the weather; 8-foot Deering binder, equipped with set of new canvas, in extra good shape; Deering mower; two-row International corn cultivator; 2 single breaking plows; buzz-saw; Blizard silo-filler, full equipped; feed grinder; corn silver; 2-hole corn sheller; 6 wagons; 3 hay racks, with hog raising and corn beds combined; gasoline engine, 1¼ h.p.; 2 tractor plows, one an Oliver and one a P. & O.; Syracuse riding plow; tractor disc; Fordson tractor pulley; 3-section spring-tooth harrow; 3-section spike-tooth harrow; cultipacker; a good one; corn planter, with fertilizer attachment, good as new; Hoosier grain drill, 12-hoe disc, an extra good one; International hay loader, side delivery, a good one; hay tedder; good hay rake; beet plow; beet lifter; No. 5 Primrose cream separator, equipped with electric motor, capacity 1200 lbs. per hour, still new; a DeLaval and a Cleveland separator; hay car and ropes; furnace stove; 2 sets of work harness, one of which is as good as new. Many other articles not mentioned.

TERMS—\$5.00 and under, cash. For sums over that amount a credit of 6 months will be given, first 3 months without interest, last 3 months bearing bankable interest. Two per cent. off for cash. No property to be removed until settled for.

ALBERT F. MOSER

AUCTIONEERS—J. A. Michaud, Jess Ellenberger, Roy Johnson.
CLERKS—The Peoples State Bank, Berne; Rudolph Schug, J. C. Augsburg.