

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

EXAMINATION REPORT  
OF  
TOWN OF DALE  
SPENCER COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
06/07/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Cynthia A. Morrison

01-01-04 to 12-31-07

President of the Town Council

Fred A. Weber  
Curtis Conley

01-01-05 to 12-31-05  
01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DALE, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Dale (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

May 17, 2007

TOWN OF DALE  
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 110,931	\$ 256,838	\$ 205,806	\$ 161,963
Motor Vehicle Highway	55,944	47,266	46,721	56,489
Local Road and Street	17,329	6,320	12,378	11,271
Park and Recreation	54,498	74,630	75,854	53,274
Law Enforcement Continuing Education	2,399	3,686	3,892	2,193
Riverboat	19,802	9,887	1,954	27,735
Parks and Recreation Lake Donation	4,390	-	2,500	1,890
Parks and Recreation Donation	2,720	16,035	6,899	11,856
Police Donation	-	67	67	-
Operation Pullover	169	250	419	-
Law Enforcement Block Grant	1	-	1	-
Cumulative Capital Improvement	28,572	4,847	19,250	14,169
Economic Development Income Tax	184,246	46,935	62,000	169,181
Park Nonreverting	50,000	-	12,000	38,000
Cumulative Fire Equipment	1,153	-	1,153	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	211,517	401,166	386,680	226,003
Water Utility - Bond and Interest	122,482	108,819	101,941	129,360
Water Utility - Depreciation	15,075	5,348	-	20,423
Water Utility - Customer Deposit	10,739	4,200	4,731	10,208
Water Utility - Construction	46,429	727	-	47,156
Water Utility - FMHA 1978	49,705	910	-	50,615
Water Utility - 2001 Bond Bank	64,240	1,077	-	65,317
Wastewater Utility - Operating	276,360	538,435	564,347	250,448
Wastewater Utility - Bond and Interest	189,145	251,144	238,316	201,973
Wastewater Utility - Depreciation	193,025	33,318	6,900	219,443
Wastewater Utility - Customer Deposit	9,967	4,592	4,700	9,859
Wastewater Utility - FMHA 2003	80,913	1,220	-	82,133
Wastewater Utility - 2002 SRF	19,876	321	-	20,197
<b>Fiduciary Fund:</b>				
Payroll	204	271,992	271,001	1,195
<b>Totals</b>	<b>\$ 1,821,831</b>	<b>\$ 2,090,030</b>	<b>\$ 2,029,510</b>	<b>\$ 1,882,351</b>

  

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
<b>Governmental Funds:</b>				
General	\$ 161,963	\$ 327,363	\$ 273,508	\$ 215,818
Motor Vehicle Highway	56,489	57,595	55,668	58,416
Local Road and Street	11,271	6,158	8,147	9,282
Park and Recreation	53,274	75,870	81,726	47,418
Law Enforcement Continuing Education	2,193	3,957	2,922	3,228
Riverboat	27,735	9,868	2,026	35,577
Parks and Recreation Lake Donation	1,890	-	-	1,890
Parks and Recreation Donation	11,856	8,100	12,073	7,883
Police Donation	-	1,130	1,130	-
Cumulative Capital Improvement	14,169	5,602	-	19,771
Economic Development Income Tax	169,181	53,248	14,036	208,393
Park Nonreverting	38,000	-	6,468	31,532
<b>Proprietary Funds:</b>				
Water Utility - Operating	226,003	619,966	617,067	228,902
Water Utility - Bond and Interest	129,360	109,309	105,907	132,762
Water Utility - Depreciation	20,423	5,547	84	25,886
Water Utility - Customer Deposit	10,208	3,900	3,238	10,870
Water Utility - Construction	47,156	1,865	30,000	19,021
Water Utility - FMHA 1978	50,615	1,209	-	51,824
Water Utility - 2001 Bond Bank	65,317	1,774	-	67,091
Wastewater Utility - Operating	250,448	584,974	562,466	272,956
Wastewater Utility - Bond and Interest	201,973	242,714	296,024	148,663
Wastewater Utility - Depreciation	219,443	36,305	136,649	119,099
Wastewater Utility - Customer Deposit	9,859	3,700	3,138	10,421
Wastewater Utility - FMHA 2003	82,133	1,966	26,644	57,455
Wastewater Utility - 2002 SRF	20,197	95,400	-	115,597
<b>Fiduciary Fund:</b>				
Payroll	1,195	291,535	290,819	1,911
<b>Totals</b>	<b>\$ 1,882,351</b>	<b>\$ 2,549,055</b>	<b>\$ 2,529,740</b>	<b>\$ 1,901,666</b>

The accompanying notes are an integral part of the schedules.

TOWN OF DALE  
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. 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.

TOWN OF DALE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

CAPITAL LEASES

The Town has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Park & Recreation Exercise Equipment	\$ 3,846	\$ 3,846
Total governmental activities long-term debt	<u>\$ 3,846</u>	<u>\$ 3,846</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
1978 Water Revenue	\$ 563,000	\$ 35,000
2001 Water Refunding Revenue	180,000	30,000
Total Water Utility	<u>743,000</u>	<u>65,000</u>
Wastewater Utility		
Revenue bonds:		
2003 Wastewater Refunding Revenue	665,000	25,000
2002 Wastewater Revenue	2,180,326	95,326
Total Wastewater Utility	<u>2,845,326</u>	<u>120,326</u>
Total business-type activities long-term debt	<u>\$ 3,588,326</u>	<u>\$ 185,326</u>

TOWN OF DALE  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS (Applies to the Town, Water Utility and Wastewater Utility)

As stated in several prior reports, adequate capital asset records were not maintained for the Town or the Utilities. The Town has not maintained comprehensive detailed records of capital assets, including additions, deletions, and balances. The Utilities do not maintain sufficient detailed records of capital assets for Utility Plant in Service accounts. Upon purchase, the costs of the capital assets are added to an aggregate Utility Plant in Service account, and to subsidiary accounts for land, buildings, etc., in the General Ledger. However, records providing historical costs for some of the Utilities' capital assets are not available, and records classifying and summarizing the Utilities' capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PERSONAL USE OF TOWN OWNED CELLULAR PHONE (Applies to Town)

Cellular phones are furnished by the Town to several Town employees. The Town's Employment Policy Handbook states that Town provided cell phones are to be used for Town business only; however, a review of cell telephone bills indicates that personal calls were made. None of these employees maintained a log of personal calls made. No additional income was shown on these employees' W-2 forms.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Page 51-9)

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 DALE  
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2007, with Cynthia A. Morrison, Clerk-Treasurer.

Separate telephone exit conferences were held on May 17, 2007, with Curtis Conley, President of the Town Council; and Fred Weber, Ray Striegel, Donna Offil and Deloss Painter, Council members.