

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

EXAMINATION REPORT

OF

TOWN OF DUNREITH

HENRY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
08/21/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Leonard Pitts
Robin Minnemann

05-08-03 to 12-31-06
01-01-07 to 12-31-11

President of the Town Council

Tim Martin

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DUNREITH, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Dunreith (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, 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

July 7, 2008

TOWN OF DUNREITH
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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 50,691	\$ 20,367	\$ 50,204	\$ 20,854
Motor Vehicle Highway	32,824	6,788	3,054	36,558
Local Road and Street	17,499	3,591	-	21,090
Riverboat	1,160	1,158	-	2,318
Cumulative Capital Improvement	9,207	657	-	9,864
Trash	3,933	6,022	7,932	2,023
Proprietary Funds:				
Electric Utility - Operating	135,988	132,855	137,222	131,621
Electric Utility - Bond and Interest	1,215	380	-	1,595
Electric Utility - Depreciation	38,833	-	1,782	37,051
Electric Utility - Customer Deposit	1,479	1,070	1,350	1,199
Fiduciary Fund:				
Cemetery	2,360	300	-	2,660
Totals	<u>\$ 295,189</u>	<u>\$ 173,188</u>	<u>\$ 201,544</u>	<u>\$ 266,833</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 20,854	\$ 71,657	\$ 40,208	\$ 52,303
Motor Vehicle Highway	36,558	8,657	20,183	25,032
Local Road and Street	21,090	1,714	11,322	11,482
Riverboat	2,318	1,160	-	3,478
Cumulative Capital Improvement	9,864	646	-	10,510
Trash	2,023	7,399	8,637	785
Proprietary Funds:				
Electric Utility - Operating	131,621	179,180	169,061	141,740
Electric Utility - Bond and Interest	1,595	-	1,595	-
Electric Utility - Depreciation	37,051	-	-	37,051
Electric Utility - Customer Deposit	1,199	750	750	1,199
Fiduciary Fund:				
Cemetery	2,660	1,473	1,265	2,868
Totals	<u>\$ 266,833</u>	<u>\$ 272,636</u>	<u>\$ 253,021</u>	<u>\$ 286,448</u>

The accompanying notes are an integral part of the financial information.

TOWN OF DUNREITH
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 (fire), highways and streets, culture and recreation, electric utility, 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 DUNREITH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) since January 1, 2002, or if they received major renovations, restorations, or improvements after that date. The estimated construction cost of Town roads and streets, and the estimated purchase price of land and land rights-of-way, are not included in this amount.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 5,000
Infrastructure	2,183
Buildings	166,167
Improvements other than buildings	7,111
Machinery and equipment	<u>225,331</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 405,792</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Electric Utility:	
Capital assets, not being depreciated:	
Machinery and equipment	\$ <u>95,662</u>
 Total business-type activities capital assets	 <u>\$ 95,662</u>

TOWN OF DUNREITH
EXIT CONFERENCE

The contents of this report were discussed on July 7, 2008, with Robin Minnemann, Clerk-Treasurer; and Tim Martin, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.