

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

EXAMINATION REPORT
OF
TOWN OF DANA
VERMILLION COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/08/2009

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------------------|------------------------------------|--|
| Clerk-Treasurer | Toni Gilbert | 01-01-07 to 12-31-11 |
| President of the Town Council | Ernest Payton Thomas L. Gilbert | 01-01-07 to 12-31-08 01-01-08 to 12-31-09 |
| Superintendent of Water Utility | Robert Umbarger Jason Vandivier | 01-01-07 to 12-31-07 01-01-08 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 DANA, VERMILLION COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Dana (Town), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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

October 13, 2009

TOWN OF DANA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

| | Cash 01-01-07 | Receipts | Disbursements | Cash 12-31-07 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Funds: | | | | |
| General | \$ 55,256 | \$ 92,253 | \$ 95,277 | \$ 52,232 |
| Motor Vehicle Highway | 65,747 | 27,588 | 34,073 | 59,262 |
| Local Road and Street | 18,586 | 3,437 | 4,073 | 17,950 |
| Park and Recreation | 9,826 | 548 | 3,516 | 6,858 |
| Law Enforcement Continuing Education | 1,105 | 548 | - | 1,653 |
| Town Marshall | 265 | 53 | 318 | - |
| Riverboat | - | 4,174 | - | 4,174 |
| Rainy Day | 1,762 | - | - | 1,762 |
| Sewage Project | 929 | 4,550 | - | 5,479 |
| Levy Excess | - | 565 | - | 565 |
| Community Development Block Grant | - | 39,960 | 39,960 | - |
| Cumulative Capital Improvement | 11,750 | - | - | 11,750 |
| Cumulative Capital Development | 16,322 | - | - | 16,322 |
| Proprietary Funds: | | | | |
| Water Utility - Operating | 4,507 | 138,799 | 136,618 | 6,688 |
| Water Utility - Bond and Interest | 7,000 | 20,148 | 17,196 | 9,952 |
| Water Utility - Depreciation | 16,910 | 170 | 7,011 | 10,069 |
| Water Utility - Customer Deposit | 421 | 448 | 262 | 607 |
| Water Utility - Meter | 3,849 | 3,432 | 5,687 | 1,594 |
| Water Utility - Debt Reserve | 12,892 | 1,415 | - | 14,307 |
| Totals | <u>\$ 227,127</u> | <u>\$ 338,088</u> | <u>\$ 343,991</u> | <u>\$ 221,224</u> |
| | | | | |
| | Cash 01-01-08 | Receipts | Disbursements | Cash 12-31-08 |
| Governmental Funds: | | | | |
| General | \$ 52,232 | \$ 94,919 | \$ 97,907 | \$ 49,244 |
| Motor Vehicle Highway | 59,262 | 22,688 | 45,742 | 36,208 |
| Local Road and Street | 17,950 | 3,183 | 8,198 | 12,935 |
| Park and Recreation | 6,858 | 716 | 1,331 | 6,243 |
| Law Enforcement Continuing Education | 1,653 | - | - | 1,653 |
| Riverboat | 4,174 | 4,153 | - | 8,327 |
| Rainy Day | 1,762 | - | - | 1,762 |
| Sewage Project | 5,479 | 11,000 | 15,500 | 979 |
| Levy Excess | 565 | - | - | 565 |
| Cumulative Capital Improvement | 11,750 | 1,521 | 1,600 | 11,671 |
| Cumulative Capital Development | 16,322 | - | - | 16,322 |
| Proprietary Funds: | | | | |
| Water Utility - Operating | 6,688 | 130,786 | 128,114 | 9,360 |
| Water Utility - Bond and Interest | 9,952 | 18,306 | 17,567 | 10,691 |
| Water Utility - Depreciation | 10,069 | 101 | - | 10,170 |
| Water Utility - Customer Deposit | 607 | 1,044 | 349 | 1,302 |
| Water Utility - Meter | 1,594 | 3,703 | 587 | 4,710 |
| Water Utility - Debt Reserve | 14,307 | 3,913 | - | 18,220 |
| Totals | <u>\$ 221,224</u> | <u>\$ 296,033</u> | <u>\$ 316,895</u> | <u>\$ 200,362</u> |

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

TOWN OF DANA
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.

Note 6. Subsequent Event

The Town will begin offering sanitary sewer services to residents and businesses. Construction of a wastewater plant will begin in December of 2009. The total cost of \$6,731,450 will be financed as follows: a United States Department of Agriculture Rural Development Grant of \$3,738,600; a United States Department of Agriculture Rural Development Loan of \$2,030,000 payable over 40 years through the issuance of revenue bonds; and a United States Department of Commerce Community Development Block Grant of \$962,850. In addition, the Town received a \$170,000 loan from the Vermillion County Economic Development Committee due June 30, 2010, which will be repaid from the Rural Development loan proceeds.

TOWN OF DANA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|---------------------------|--------------------------------|---|
| Business-type activities: | | |
| Water Utility: | | |
| Revenue bonds: | | |
| Water System Improvement | \$ <u>99,000</u> | \$ <u>16,859</u> |

TOWN OF DANA
EXAMINATION RESULTS AND COMMENTS

POLICE DEPARTMENT RECEIPTS AND FEES

Handgun Permit fees of \$300 collected by the Town Marshal in 2008 were not remitted to the Clerk-Treasurer until 2009.

Receipts and fees collected by a police department should be remitted to the Clerk-Treasurer or City Controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

COLLECTION OF AMOUNTS DUE

The Town Marshall failed to collect \$80 in fees when two handgun permits were issued. These fees were collected in 2009.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF DANA
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2009, with Toni Gilbert, Clerk-Treasurer, and Thomas L. Gilbert, President of the Town Council. The officials concurred with our findings.