

B37833

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, 2007 to December 31, 2009



FILED
11/16/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4-5
Notes to Financial Information	6
Supplementary Information:	
Schedule of Long-Term Debt	7
Examination Result and Comment:	
Capital Asset Records	8
Exit Conference.....	9

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Cynthia Morrison

01-01-04 to 12-31-11

President of the Town Council

Curtis Conley
Fred Weber

01-01-07 to 12-31-07
01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2007 to December 31, 2009. 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, 2008, and 2009, 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

August 30, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 215,818	\$ 290,180	\$ 264,238	\$ 241,760
Motor Vehicle Highway	58,416	56,054	75,484	38,986
Local Road and Street	9,282	6,176	2,097	13,361
Park and Recreation	47,418	80,715	88,450	39,683
Grants	-	30,000	30,000	-
Law Enforcement Continuing Education	3,228	4,349	2,769	4,808
Riverboat	35,577	9,887	5,597	39,867
Park and Recreation Lake Donation	1,890	40	543	1,387
Park and Recreation Donation	7,883	10,115	15,616	2,382
Cumulative Capital Improvement	19,771	5,507	-	25,278
Economic Development Income Tax	208,393	77,635	10,800	275,228
Park Nonreverting	31,532	-	1,295	30,237
Proprietary Funds:				
Water Utility - Operating	228,902	608,509	565,705	271,706
Water Utility - Bond and Interest	132,762	106,478	103,487	135,753
Water Utility - Depreciation	25,886	5,648	-	31,534
Water Utility - Customer Deposit	10,870	3,659	3,600	10,929
Water Utility - Construction	19,021	289	-	19,310
Water Utility - FMHA 1978	51,824	1,918	-	53,742
Water Utility - 2001 Bond Bank	67,091	2,489	-	69,580
Wastewater Utility - Operating	272,956	496,413	507,077	262,292
Wastewater Utility - Bond and Interest	148,663	237,253	230,977	154,939
Wastewater Utility - Depreciation	119,099	35,242	96,996	57,345
Wastewater Utility - Customer Deposit	10,421	3,723	3,554	10,590
Wastewater Utility - FMHA 2003	57,455	2,160	850	58,765
Wastewater Utility - 2002 SRF	115,597	31,112	-	146,709
Fiduciary Fund:				
Payroll	1,911	296,108	296,195	1,824
Totals	<u>\$ 1,901,666</u>	<u>\$ 2,401,659</u>	<u>\$ 2,305,330</u>	<u>\$ 1,997,995</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 241,760	\$ 272,823	\$ 238,296	\$ 276,287
Motor Vehicle Highway	38,986	42,262	26,998	54,250
Local Road and Street	13,361	5,882	3,435	15,808
Park and Recreation	39,683	97,504	89,730	47,457
Rainy Day	-	6,338	-	6,338
Law Enforcement Continuing Education	4,808	4,422	4,357	4,873
Riverboat	39,867	13,487	6,475	46,879
Park and Recreation Lake Donation	1,387	-	-	1,387
Park and Recreation Donation	2,382	16,293	13,289	5,386
Cumulative Capital Improvement	25,278	5,099	-	30,377
Economic Development Income Tax	275,228	53,324	26,900	301,652
Park Nonreverting	30,237	-	4,300	25,937
Proprietary Funds:				
Water Utility - Operating	271,706	454,874	468,506	258,074
Water Utility - Bond and Interest	135,753	106,731	107,017	135,467
Water Utility - Depreciation	31,534	5,312	16,241	20,605
Water Utility - Customer Deposit	10,929	4,114	3,020	12,023
Water Utility - Construction	19,310	293	-	19,603
Water Utility - FMHA 1978	53,742	2,139	-	55,881
Water Utility - 2001 Bond Bank	69,580	2,398	-	71,978
Wastewater Utility - Operating	262,292	522,521	518,951	265,862
Wastewater Utility - Bond and Interest	154,939	235,818	231,252	159,505
Wastewater Utility - Depreciation	57,345	34,157	32,096	59,406
Wastewater Utility - Customer Deposit	10,590	3,700	2,920	11,370
Wastewater Utility - FMHA 2003	58,765	2,208	-	60,973
Wastewater Utility - 2002 SRF	146,709	16,948	-	163,657
Fiduciary Fund:				
Payroll	1,824	311,259	311,010	2,073
Totals	<u>\$ 1,997,995</u>	<u>\$ 2,219,906</u>	<u>\$ 2,104,793</u>	<u>\$ 2,113,108</u>

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

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, 2007, 2008 And 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 276,287	\$ 271,115	\$ 244,730	\$ 302,672
Motor Vehicle Highway	54,250	40,982	44,303	50,929
Local Road and Street	15,808	5,570	5,527	15,851
Park and Recreation	47,457	88,681	93,624	42,514
Rainy Day	6,338	6,006	6,337	6,007
Land Donation	-	2,280	-	2,280
Law Enforcement Continuing Education	4,873	2,534	3,365	4,042
Riverboat	46,879	9,813	23,362	33,330
Park and Recreation Lake Donation	1,387	-	-	1,387
Park and Recreation Donation	5,386	12,865	8,276	9,975
Cumulative Capital Improvement	30,377	4,808	14,000	21,185
Economic Development Income Tax	301,652	54,353	56,148	299,857
Park Nonreverting	25,937	-	1,870	24,067
Proprietary Funds:				
Water Utility - Operating	258,074	475,127	607,413	125,788
Water Utility - Bond and Interest	135,467	105,224	105,161	135,530
Water Utility - Depreciation	20,605	5,346	6,608	19,343
Water Utility - Customer Deposit	12,023	3,530	3,930	11,623
Water Utility - Construction	19,603	69	19,672	-
Water Utility - FMHA 1978	55,881	451	-	56,332
Water Utility - 2001 Bond Bank	71,978	1,345	-	73,323
Wastewater Utility - Operating	265,862	483,948	529,388	220,422
Wastewater Utility - Bond and Interest	159,505	235,461	226,682	168,284
Wastewater Utility - Depreciation	59,406	31,793	4,826	86,373
Wastewater Utility - Customer Deposit	11,370	3,439	3,639	11,170
Wastewater Utility - FMHA 2003	60,973	864	-	61,837
Wastewater Utility - 2002 SRF	163,657	1,009	-	164,666
Fiduciary Fund:				
Payroll	2,073	319,221	319,422	1,872
Totals	<u>\$ 2,113,108</u>	<u>\$ 2,165,834</u>	<u>\$ 2,328,283</u>	<u>\$ 1,950,659</u>

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

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, general administrative services, water and wastewater.

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.

Note 6. Disaster Recovery Grant Award

The Town received a letter on July 20, 2010, informing them that the Indiana Office of Community & Rural Affairs has approved their application for Community Development Block Grant funds for a storm water project. The total Grant award was \$916,000.

TOWN OF DALE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2009

Description of Asset	Ending Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
1978 Water Revenue	\$ 452,000	\$ 63,600
2001 Water Refunding Revenue	<u>80,000</u>	<u>44,604</u>
Total Water Utility	<u>532,000</u>	<u>108,204</u>
Wastewater Utility:		
Revenue bonds:		
2003 Wastewater Refunding Revenue	590,000	52,235
2002 Wastewater Revenue	<u>1,885,000</u>	<u>174,635</u>
Total Wastewater Utility	<u>2,475,000</u>	<u>226,870</u>
Total business-type activities long-term debt	<u>\$ 3,007,000</u>	<u>\$ 335,074</u>

TOWN OF DALE
EXAMINATION RESULT AND COMMENT

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 reflects 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)

TOWN OF DALE
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2010, with Cynthia Morrison, Clerk-Treasurer. The official concurred with our finding.

Separate telephone exit conferences were held on August 30, 2010, with Fred Weber, President of the Town Council; Ray Striegel, Deloss Painter, Rick Hile and Mary Gogel, Council members.