

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

EXAMINATION REPORT  
OF  
TOWN OF UNIONDALE  
WELLS COUNTY, INDIANA  
January 1, 2009 to December 31, 2010



**FILED**  
09/12/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	6-7
Notes to Financial Statements .....	8-11
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-17
Schedule of Capital Assets.....	18
Schedule of Long-Term Debt .....	19
Examination Result and Comment:	
Transaction Recording .....	20
Exit Conference.....	21

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sharice K. Bowen	01-01-08 to 12-31-11
President of the Town Council	Ronald K. Sliger	01-01-09 to 12-31-11



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF UNIONDALE, WELLS COUNTY, INDIANA

We have examined the financial statements of the Town of Uniondale (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, and Town Council, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 1, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENTS

TOWN OF UNIONDALE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 32,418	\$ 66,684	\$ 71,340	\$ 27,762
Motor Vehicle Highway	12,298	7,339	4,521	15,116
Local Road and Street	1,459	6,642	5,453	2,648
Riverboat	9,757	1,733	-	11,490
Gift	1,512	-	-	1,512
Rainy Day	1,725	1,429	-	3,154
Cumulative Capital Development	2,020	1,973	2,429	1,564
Cumulative Capital Improvement	-	849	831	18
Economic Development Income Tax	15,177	3,508	7,916	10,769
Wastewater Utility - Operating	8,183	63,065	67,450	3,798
Wastewater Utility - Debt Reserve	38,506	-	-	38,506
Wastewater Utility - Bond and Interest	<u>21,792</u>	<u>38,878</u>	<u>37,688</u>	<u>22,982</u>
Totals	<u>\$ 144,847</u>	<u>\$ 192,100</u>	<u>\$ 197,628</u>	<u>\$ 139,319</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF UNIONDALE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 27,762	\$ 58,264	\$ 70,205	\$ 15,821
Motor Vehicle Highway	15,116	7,258	5,592	16,782
Local Road and Street	2,648	5,570	8,082	136
Riverboat	11,490	1,733	-	13,223
Gift	1,512	-	-	1,512
Rainy Day	3,154	-	-	3,154
Levy Excess	-	1,187	-	1,187
Cumulative Capital Development	1,564	2,073	2,905	732
Cumulative Capital Improvement	18	811	829	-
Economic Development Income Tax	10,769	5,332	3,052	13,049
Wastewater Utility - Operating	3,798	62,055	58,845	7,008
Wastewater Utility - Debt Reserve	38,506	-	-	38,506
Wastewater Utility - Bond and Interest	<u>22,982</u>	<u>36,318</u>	<u>36,138</u>	<u>23,162</u>
Totals	<u>\$ 139,319</u>	<u>\$ 180,601</u>	<u>\$ 185,648</u>	<u>\$ 134,272</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF UNIONDALE  
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government.)

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

TOWN OF UNIONDALE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

License and permits which includes amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of license and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which includes receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

Utility receipts which are comprised mostly of charges for current services.

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

TOWN OF UNIONDALE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Personal services which includes outflows for salaries, wages and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which includes fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

TOWN OF UNIONDALE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 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 5. Risk Management

The Town may be exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, job related illnesses or injuries to employees, medical benefits to employees, retirees, and dependents, and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

TOWN OF UNIONDALE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road and Street	Riverboat	Gift	Rainy Day	Cumulative Capital Development
Cash and investments - beginning	\$ 32,418	\$ 12,298	\$ 1,459	\$ 9,757	\$ 1,512	\$ 1,725	\$ 2,020
Receipts:							
Taxes	20,743	-	-	-	-	-	1,537
Intergovernmental	19,863	7,339	1,463	1,733	-	1,429	436
Charges for services	25,633	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	445	-	5,179	-	-	-	-
Total receipts	<u>66,684</u>	<u>7,339</u>	<u>6,642</u>	<u>1,733</u>	<u>-</u>	<u>1,429</u>	<u>1,973</u>
Disbursements:							
Personal services	8,074	-	-	-	-	-	-
Supplies	1,144	1,159	-	-	-	-	-
Other services and charges	42,210	3,362	5,453	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	15,912	-	-	-	-	-	1,250
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,000	-	-	-	-	-	1,179
Total disbursements	<u>71,340</u>	<u>4,521</u>	<u>5,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,429</u>
Excess (deficiency) of receipts over disbursements	<u>(4,656)</u>	<u>2,818</u>	<u>1,189</u>	<u>1,733</u>	<u>-</u>	<u>1,429</u>	<u>(456)</u>
Cash and investments - ending	<u>\$ 27,762</u>	<u>\$ 15,116</u>	<u>\$ 2,648</u>	<u>\$ 11,490</u>	<u>\$ 1,512</u>	<u>\$ 3,154</u>	<u>\$ 1,564</u>

TOWN OF UNIONDALE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Cumulative Capital Improvement	Economic Development Income Tax	Wastewater Utility - Operating	Wastewater Utility - Debt Reserve	Wastewater Utility - Bond and Interest	Totals
Cash and investments - beginning	\$ -	\$ 15,177	\$ 8,183	\$ 38,506	\$ 21,792	\$ 144,847
Receipts:						
Taxes	-	-	-	-	-	22,280
Intergovernmental	849	3,508	-	-	-	36,620
Charges for services	-	-	-	-	-	25,633
Utility fees	-	-	62,590	-	-	62,590
Other receipts	-	-	475	-	38,878	44,977
Total receipts	<u>849</u>	<u>3,508</u>	<u>63,065</u>	<u>-</u>	<u>38,878</u>	<u>192,100</u>
Disbursements:						
Personal services	-	-	-	-	-	8,074
Supplies	-	-	-	-	-	2,303
Other services and charges	-	-	-	-	-	51,025
Debt service - principal and interest	-	-	-	-	37,688	37,688
Capital outlay	-	7,916	-	-	-	25,078
Utility operating expenses	-	-	28,575	-	-	28,575
Other disbursements	831	-	38,875	-	-	44,885
Total disbursements	<u>831</u>	<u>7,916</u>	<u>67,450</u>	<u>-</u>	<u>37,688</u>	<u>197,628</u>
Excess (deficiency) of receipts over disbursements	<u>18</u>	<u>(4,408)</u>	<u>(4,385)</u>	<u>-</u>	<u>1,190</u>	<u>(5,528)</u>
Cash and investments - ending	<u>\$ 18</u>	<u>\$ 10,769</u>	<u>\$ 3,798</u>	<u>\$ 38,506</u>	<u>\$ 22,982</u>	<u>\$ 139,319</u>

TOWN OF UNIONDALE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road and Street	Riverboat	Gift	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 27,762	\$ 15,116	\$ 2,648	\$ 11,490	\$ 1,512	\$ 3,154	\$ -
Receipts:							
Taxes	20,815	-	-	-	-	-	-
Intergovernmental	25,160	7,258	1,496	1,733	-	-	-
Charges for services	11,994	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	295	-	4,074	-	-	-	1,187
Total receipts	<u>58,264</u>	<u>7,258</u>	<u>5,570</u>	<u>1,733</u>	<u>-</u>	<u>-</u>	<u>1,187</u>
Disbursements:							
Personal services	8,485	-	-	-	-	-	-
Supplies	1,677	2,603	-	-	-	-	-
Other services and charges	42,411	2,989	8,082	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	12,447	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,185	-	-	-	-	-	-
Total disbursements	<u>70,205</u>	<u>5,592</u>	<u>8,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(11,941)</u>	<u>1,666</u>	<u>(2,512)</u>	<u>1,733</u>	<u>-</u>	<u>-</u>	<u>1,187</u>
Cash and investments - ending	<u>\$ 15,821</u>	<u>\$ 16,782</u>	<u>\$ 136</u>	<u>\$ 13,223</u>	<u>\$ 1,512</u>	<u>\$ 3,154</u>	<u>\$ 1,187</u>

TOWN OF UNIONDALE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cumulative Capital Development	Cumulative Capital Improvement	Economic Development Income Tax	Wastewater Utility - Operating	Wastewater Utility - Debt Reserve	Wastewater Utility - Bond and Interest	Totals
Cash and investments - beginning	\$ 1,564	\$ 18	\$ 10,769	\$ 3,798	\$ 38,506	\$ 22,982	\$ 139,319
Receipts:							
Taxes	1,629	-	-	-	-	-	22,444
Intergovernmental	444	811	5,332	-	-	-	42,234
Charges for services	-	-	-	-	-	-	11,994
Utility fees	-	-	-	61,737	-	-	61,737
Other receipts	-	-	-	318	-	36,318	42,192
Total receipts	2,073	811	5,332	62,055	-	36,318	180,601
Disbursements:							
Personal services	-	-	-	-	-	-	8,485
Supplies	-	-	-	-	-	-	4,280
Other services and charges	-	-	-	-	-	-	53,482
Debt service - principal and interest	-	-	-	-	-	36,138	36,138
Capital outlay	2,829	-	3,052	-	-	-	18,328
Utility operating expenses	-	-	-	22,528	-	-	22,528
Other disbursements	76	829	-	36,317	-	-	42,407
Total disbursements	2,905	829	3,052	58,845	-	36,138	185,648
Excess (deficiency) of receipts over disbursements	(832)	(18)	2,280	3,210	-	180	(5,047)
Cash and investments - ending	\$ 732	\$ -	\$ 13,049	\$ 7,008	\$ 38,506	\$ 23,162	\$ 134,272

TOWN OF UNIONDALE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 30,500
Infrastructure	25,149
Buildings	220,000
Machinery and equipment	<u>80,665</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 356,314</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	<u>\$ 979,761</u>

TOWN OF UNIONDALE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
1994 Sewage Works Construction	\$ 150,000	\$ 4,787

TOWN OF UNIONDALE  
EXAMINATION RESULT AND COMMENT

***TRANSACTION RECORDING***

On December 31, 2009, the Rock Creek Township Trustee of Wells County issued a check payable to the Town of Uniondale in the amount of \$6,475 for annual fire protection. This payment was not receipted to the Town's records. Instead, the Township's check was endorsed by the Clerk-Treasurer and forwarded to a vendor for payment on a fire truck tank.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF UNIONDALE  
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2011, with Sharice K. Bowen, Clerk-Treasurer, and Ronald K. Sliger, President of the Town Council. The officials concurred with our finding.