

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF DALEVILLE

DELAWARE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/15/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carol Harris Amy Roberts	03-19-09 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Marcus Joe Scott Tom Roberts	01-01-10 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Utilities	Bill Rievley	01-01-10 to 12-31-12



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DALEVILLE, DELAWARE COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Daleville (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Capital Assets, 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, Town Board, and others within the entity 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

September 12, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 87,186	\$ 505,126	\$ 493,815	\$ 98,497
Motor Vehicle Highway	12,364	91,125	85,182	18,307
Local Road & Street	36,294	39,943	4,516	71,721
Local Law Enf Cont Ed	8,147	5,175	4,220	9,102
Riverboat	47,616	10,376	-	57,992
Rainy Day	207	1,465	-	1,672
Police K-9	1,136	1,408	919	1,625
Excess Levy	-	713	-	713
Major Moves	15,958	-	-	15,958
Cum Cap Imp - Cig Tax	14,473	4,855	6,183	13,145
Cum Cap Development	21,298	45,456	13,654	53,100
Park Donations	1,302	-	-	1,302
DUI Grant	(581)	3,780	3,959	(760)
OPO Grant	(172)	2,570	2,648	(250)
Incentive Fatality Grant	(563)	6,650	7,005	(918)
Forefeitures And Seizures	50	-	-	50
Police Donations	(163)	24,278	11,262	12,853
Sanitation	387	105,909	99,300	6,996
Payroll	1,354	337,245	338,382	217
Storm Water	14,990	62,862	5,152	72,700
Water Utility Operating	240,879	313,381	312,438	241,822
Water Util Meter Deposit	10,578	1,750	-	12,328
Totals	<u>\$ 512,740</u>	<u>\$ 1,564,067</u>	<u>\$ 1,388,635</u>	<u>\$ 688,172</u>

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

TOWN OF DALEVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
GENERAL	\$ 98,497	\$ 875,930	\$ 892,243	\$ 82,184
MOTOR VEHICLE HIGHWAY	18,307	94,902	87,902	25,307
LOCAL ROAD & STREET	71,721	41,778	57,110	56,389
LOCAL LAW ENF CONT ED	9,102	5,208	9,741	4,569
RIVERBOAT	57,992	10,376	3,064	65,304
RAINY DAY	1,672	-	-	1,672
POLICE K-9	1,625	6	675	956
EDIT FUND	-	500,000	99,725	400,275
EXCESS LEVY	713	-	-	713
MAJOR MOVES	15,958	-	-	15,958
CUM CAP IMP - CIG TAX	13,145	4,761	2,443	15,463
CUM CAP DEVELOPMENT	53,100	14,947	6,408	61,639
PARK DONATIONS	1,302	7,996	-	9,298
DUI GRANT	(760)	2,917	2,157	-
OPO GRANT	(250)	2,772	2,522	-
INCENTIVE FATALITY GRANT	(918)	2,423	1,505	-
FOREFEITURES AND SEIZURES	50	-	-	50
POLICE DONATIONS	12,853	19,307	27,694	4,466
POLICE FED GRANT	-	1,295	1,295	-
SANITATION	6,996	113,080	110,834	9,242
PAYROLL	217	346,847	346,847	217
STORM WATER	72,700	12,730	941	84,489
WATER UTILITY OPERATING	241,822	328,267	384,888	185,201
WATER UTL METER DEPOSIT	12,328	1,890	2,155	12,063
Totals	<u>\$ 688,172</u>	<u>\$ 2,387,432</u>	<u>\$ 2,040,149</u>	<u>\$ 1,035,455</u>

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

TOWN OF DALEVILLE
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.

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 the following sources:

Taxes which can include one or more of the following: property taxes, county option income tax, wheel 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.

Licenses and permits which include 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 licenses and permits include: peddler licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are 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

TOWN OF DALEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, recycling fees, dog pound fees, cable tv receipts, ordinance violations, and fines and fees.

Fines and forfeits which include 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).

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

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include 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 include 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 include, but are 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 include 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 include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF DALEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

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.

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 percent 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.

TOWN OF DALEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 should be 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 statutes authorize 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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF DALEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF DALEVILLE
 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 & Street	Local Law Enf Cont Ed	Riverboat	Rainy Day	Police K-9	Excess Levy
Cash and investments - beginning	\$ 87,186	\$ 12,364	\$ 36,294	\$ 8,147	\$ 47,616	\$ 207	\$ 1,136	\$ -
Receipts:								
Taxes	480,912	33,791	-	-	-	-	-	-
Licenses and permits	13,277	-	-	1,510	-	-	-	-
Intergovernmental	5,056	56,375	39,943	-	-	1,465	-	-
Charges for services	-	-	-	3,665	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	5,881	959	-	-	10,376	-	1,408	713
Total receipts	<u>505,126</u>	<u>91,125</u>	<u>39,943</u>	<u>5,175</u>	<u>10,376</u>	<u>1,465</u>	<u>1,408</u>	<u>713</u>
Disbursements:								
Personal services	266,275	53,791	-	-	-	-	-	-
Supplies	34,119	30,791	-	-	-	-	-	-
Other services and charges	81,199	600	4,516	-	-	-	-	-
Capital outlay	36,072	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	76,150	-	-	4,220	-	-	919	-
Total disbursements	<u>493,815</u>	<u>85,182</u>	<u>4,516</u>	<u>4,220</u>	<u>-</u>	<u>-</u>	<u>919</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>11,311</u>	<u>5,943</u>	<u>35,427</u>	<u>955</u>	<u>10,376</u>	<u>1,465</u>	<u>489</u>	<u>713</u>
Cash and investments - ending	<u>\$ 98,497</u>	<u>\$ 18,307</u>	<u>\$ 71,721</u>	<u>\$ 9,102</u>	<u>\$ 57,992</u>	<u>\$ 1,672</u>	<u>\$ 1,625</u>	<u>\$ 713</u>

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

	Major Moves	Cum Cap Imp - Cig Tax	Cum Cap Development	Park Donations	DUI Grant	OPO Grant	Incentive Fatality Grant	Forefeitures And Seizures
Cash and investments - beginning	\$ 15,958	\$ 14,473	\$ 21,298	\$ 1,302	\$ (581)	\$ (172)	\$ (563)	\$ 50
Receipts:								
Taxes	-	-	19,437	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	4,855	-	-	3,780	2,570	6,650	-
Charges for services	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	26,019	-	-	-	-	-
Total receipts	-	4,855	45,456	-	3,780	2,570	6,650	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	6,183	13,654	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	3,959	2,648	7,005	-
Total disbursements	-	6,183	13,654	-	3,959	2,648	7,005	-
Excess (deficiency) of receipts over disbursements	-	(1,328)	31,802	-	(179)	(78)	(355)	-
Cash and investments - ending	<u>\$ 15,958</u>	<u>\$ 13,145</u>	<u>\$ 53,100</u>	<u>\$ 1,302</u>	<u>\$ (760)</u>	<u>\$ (250)</u>	<u>\$ (918)</u>	<u>\$ 50</u>

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

	Police Donations	Sanitation	Payroll	Storm Water	Water Utility Operating	Water Utl Meter Deposit	Totals
Cash and investments - beginning	\$ (163)	\$ 387	\$ 1,354	\$ 14,990	\$ 240,879	\$ 10,578	\$ 512,740
Receipts:							
Taxes	-	-	-	-	431	-	534,571
Licenses and permits	-	-	-	-	-	-	14,787
Intergovernmental	-	-	-	-	1,469	-	122,163
Charges for services	-	105,909	-	-	-	-	109,574
Utility fees	-	-	-	12,862	192,711	-	205,573
Other receipts	24,278	-	337,245	50,000	118,770	1,750	577,399
Total receipts	24,278	105,909	337,245	62,862	313,381	1,750	1,564,067
Disbursements:							
Personal services	-	20,327	-	-	-	-	340,393
Supplies	-	-	-	-	-	-	64,910
Other services and charges	-	78,377	-	-	-	-	164,692
Capital outlay	-	-	-	-	-	-	55,909
Utility operating expenses	-	-	-	5,152	132,867	-	138,019
Other disbursements	11,262	596	338,382	-	179,571	-	624,712
Total disbursements	11,262	99,300	338,382	5,152	312,438	-	1,388,635
Excess (deficiency) of receipts over disbursements	13,016	6,609	(1,137)	57,710	943	1,750	175,432
Cash and investments - ending	\$ 12,853	\$ 6,996	\$ 217	\$ 72,700	\$ 241,822	\$ 12,328	\$ 688,172

TOWN OF DALEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	RIVERBOAT	RAINY DAY	POLICE K-9
Cash and investments - beginning	\$ 98,497	\$ 18,307	\$ 71,721	\$ 9,102	\$ 57,992	\$ 1,672	\$ 1,625
Receipts:							
Taxes	251,659	37,180	28,043	-	-	-	-
Licenses and permits	11,110	-	-	811	-	-	-
Intergovernmental	92,480	57,082	13,735	-	-	-	-
Charges for services	40	-	-	1,000	-	-	-
Fines and forfeits	-	-	-	1,894	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	520,641	640	-	1,503	10,376	-	6
Total receipts	<u>875,930</u>	<u>94,902</u>	<u>41,778</u>	<u>5,208</u>	<u>10,376</u>	<u>-</u>	<u>6</u>
Disbursements:							
Personal services	261,001	68,995	-	-	-	-	-
Supplies	44,877	18,907	-	-	-	-	-
Other services and charges	79,574	-	57,110	-	-	-	-
Debt service - principal and interest	83	-	-	-	-	-	-
Capital outlay	4,779	-	-	-	3,064	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	501,929	-	-	9,741	-	-	675
Total disbursements	<u>892,243</u>	<u>87,902</u>	<u>57,110</u>	<u>9,741</u>	<u>3,064</u>	<u>-</u>	<u>675</u>
Excess (deficiency) of receipts over disbursements	<u>(16,313)</u>	<u>7,000</u>	<u>(15,332)</u>	<u>(4,533)</u>	<u>7,312</u>	<u>-</u>	<u>(669)</u>
Cash and investments - ending	<u>\$ 82,184</u>	<u>\$ 25,307</u>	<u>\$ 56,389</u>	<u>\$ 4,569</u>	<u>\$ 65,304</u>	<u>\$ 1,672</u>	<u>\$ 956</u>

TOWN OF DALEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	EDIT FUND	EXCESS LEVY	MAJOR MOVES	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	PARK DONATIONS
Cash and investments - beginning	\$ -	\$ 713	\$ 15,958	\$ 13,145	\$ 53,100	\$ 1,302
Receipts:						
Taxes	-	-	-	-	11,261	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	4,761	3,685	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	500,000	-	-	-	1	7,996
Total receipts	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>4,761</u>	<u>14,947</u>	<u>7,996</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	99,725	-	-	2,443	6,408	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>99,725</u>	<u>-</u>	<u>-</u>	<u>2,443</u>	<u>6,408</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>400,275</u>	<u>-</u>	<u>-</u>	<u>2,318</u>	<u>8,539</u>	<u>7,996</u>
Cash and investments - ending	<u>\$ 400,275</u>	<u>\$ 713</u>	<u>\$ 15,958</u>	<u>\$ 15,463</u>	<u>\$ 61,639</u>	<u>\$ 9,298</u>

TOWN OF DALEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	DUI GRANT	OPO GRANT	INCENTIVE FATALITY GRANT	FOREFEITURES AND SEIZURES	POLICE DONATIONS	POLICE FED GRANT
Cash and investments - beginning	\$ (760)	\$ (250)	\$ (918)	\$ 50	\$ 12,853	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,917	2,772	2,423	-	-	1,295
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	19,307	-
Total receipts	<u>2,917</u>	<u>2,772</u>	<u>2,423</u>	<u>-</u>	<u>19,307</u>	<u>1,295</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,295
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,157	2,522	1,505	-	27,694	-
Total disbursements	<u>2,157</u>	<u>2,522</u>	<u>1,505</u>	<u>-</u>	<u>27,694</u>	<u>1,295</u>
Excess (deficiency) of receipts over disbursements	<u>760</u>	<u>250</u>	<u>918</u>	<u>-</u>	<u>(8,387)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 4,466</u>	<u>\$ -</u>

TOWN OF DALEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	SANITATION	PAYROLL	STORM WATER	WATER UTILITY OPERATING	WATER UTL METER DEPOSIT	Totals
Cash and investments - beginning	\$ 6,996	\$ 217	\$ 72,700	\$ 241,822	\$ 12,328	\$ 688,172
Receipts:						
Taxes	-	-	-	-	-	328,143
Licenses and permits	-	-	-	-	-	11,921
Intergovernmental	-	-	-	-	-	181,150
Charges for services	113,080	-	-	-	-	114,120
Fines and forfeits	-	-	-	-	-	1,894
Utility fees	-	-	12,730	13,766	-	26,496
Other receipts	-	346,847	-	314,501	1,890	1,723,708
Total receipts	<u>113,080</u>	<u>346,847</u>	<u>12,730</u>	<u>328,267</u>	<u>1,890</u>	<u>2,387,432</u>
Disbursements:						
Personal services	7,230	346,847	-	-	-	684,073
Supplies	-	-	-	-	-	63,784
Other services and charges	1,488	-	-	-	-	138,172
Debt service - principal and interest	-	-	-	-	-	83
Capital outlay	102,116	-	-	-	-	219,830
Utility operating expenses	-	-	941	384,888	-	385,829
Other disbursements	-	-	-	-	2,155	548,378
Total disbursements	<u>110,834</u>	<u>346,847</u>	<u>941</u>	<u>384,888</u>	<u>2,155</u>	<u>2,040,149</u>
Excess (deficiency) of receipts over disbursements	<u>2,246</u>	<u>-</u>	<u>11,789</u>	<u>(56,621)</u>	<u>(265)</u>	<u>347,283</u>
Cash and investments - ending	<u>\$ 9,242</u>	<u>\$ 217</u>	<u>\$ 84,489</u>	<u>\$ 185,201</u>	<u>\$ 12,063</u>	<u>\$ 1,035,455</u>

TOWN OF DALEVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 17,247	\$ -
Storm Water	-	1,399
Water	23,488	18,890
Totals	\$ 40,735	\$ 20,289

TOWN OF DALEVILLE
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 85,880
Infrastructure	3,272
Buildings	182,807
Improvements other than buildings	52,922
Machinery, equipment and vehicles	310,630
Total governmental activities	635,511
Storm Water:	
Total Storm Water	-
Water:	
Land	52,003
Buildings	500,000
Improvements other than buildings	2,976,242
Machinery, equipment and vehicles	344,968
Total Water	3,873,213
Total capital assets	\$ 4,508,724

TOWN OF DALEVILLE
EXAMINATION RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the Water Utility Meter Deposit Fund recorded on the fund ledger because deposits applied to customer accounts were entered as an adjustment instead of as a cash transaction and the money was not transferred to the Operating Fund. It was also noted during the review of the customer deposit register that some meter deposits that were refunded during the examination period were not shown in the meter deposit register presented for examination.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES

The Town paid penalties, interest, and late fees of \$122.51 due to filing the December 2009 utility receipt tax return after the due date.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF DALEVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2012, with Tom Roberts, President of the Town Council; Carol Harris, former Clerk-Treasurer; and Amy Roberts, Clerk-Treasurer. The officials concurred with our findings.