

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF DALEVILLE

DELAWARE COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED

7/31/06

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Examination Results and Comments:	
Cash Necessary to Balance, Bank Reconciliations	7
Interest on Investments and Renewal of Certificates of Deposits	7
Exit Conference	8

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Kay Gipson

01-01-03 to 12-31-06

President of the Town Council

David Shellabarger
Steve R. Overmyer

01-01-03 to 01-25-05
03-07-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Daleville (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 29, 2006

TOWN OF DALEVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 233,108	\$ 356,767	\$ 303,607	\$ 286,268
Motor Vehicle Highway	49,658	50,955	68,505	32,108
Local Road and Street	17,189	16,514	19,631	14,072
Sanitation	32,408	51,644	53,912	30,140
Law Enforcement Continuing Education	1,510	1,613	2,404	719
Riverboat	-	10,484	-	10,484
Police Department Donation	-	590	-	590
Park Donation	15,582	-	15,582	-
Muncie DUI	-	6,650	6,624	26
Operation Pull Over Grant	10	1,250	829	431
Local Law Enforcement Grant	4,526	-	-	4,526
Cumulative Capital Improvement	23,773	6,014	5,981	23,806
Cumulative Capital Development	23,601	14,393	8,145	29,849
Proprietary Funds:				
Water Operating	262,204	240,259	293,658	208,805
Water Customer Deposits	11,064	2,265	4,405	8,924
Totals	\$ 674,633	\$ 759,398	\$ 783,283	\$ 650,748

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 286,268	\$ 386,911	\$ 388,487	\$ 284,692
Motor Vehicle Highway	32,108	53,004	54,885	30,227
Local Road and Street	14,072	16,854	29,922	1,004
Sanitation	30,140	51,906	59,596	22,450
Law Enforcement Continuing Education	719	1,562	1,809	472
Riverboat	10,484	10,455	8,088	12,851
Rainy Day	-	6,534	3,047	3,487
Police Department Donation	590	-	406	184
Muncie DUI	26	7,280	7,306	-
Operation Pull Over Grant	431	750	1,128	53
Local Law Enforcement Grant	4,526	-	-	4,526
Cumulative Capital Improvement	23,806	6,237	11,996	18,047
Cumulative Capital Development	29,849	36,544	44,383	22,010
Proprietary Funds:				
Water Operating	208,805	342,427	456,574	94,658
Water Customer Deposits	8,924	1,435	835	9,524
Totals	\$ 650,748	\$ 921,899	\$ 1,068,462	\$ 504,185

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 284,692	\$ 375,466	\$ 402,374	\$ 257,784
Motor Vehicle Highway	30,227	51,844	70,447	11,624
Local Road and Street	1,004	16,761	12,632	5,133
Sanitation	22,450	57,953	63,475	16,928
Law Enforcement Continuing Education	472	1,772	1,776	468
Riverboat	12,851	10,455	984	22,322
Rainy Day	3,487	3,339	5,737	1,089
Police Department Donation	184	-	-	184
Shellabarger Memorial	-	1,153	1,153	-
Muncie DUI	-	6,300	6,268	32
Operation Pull Over Grant	53	1,350	1,180	223
Local Law Enforcement Grant	4,526	-	3,316	1,210
Levy Excess	-	28,084	-	28,084
Storm Water	-	4,198	-	4,198
Cumulative Capital Improvement	18,047	7,196	7,237	18,006
Cumulative Capital Development	22,010	17,994	3,263	36,741
Proprietary Funds:				
Water Operating	94,658	261,850	302,133	54,375
Water Customer Deposits	9,524	1,855	1,855	9,524
Totals	\$ 504,185	\$ 847,570	\$ 883,830	\$ 467,925

The accompanying notes are an integral part of the schedules.

TOWN OF DALEVILLE
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, 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.

TOWN OF DALEVILLE
NOTES TO SCHEDULES
(Continued)

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. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

TOWN OF DALEVILLE
EXAMINATION RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance as follows:

Town Funds	\$ (179.87)	Cash Long
Water Utility	<u>842.12</u>	Cash Short
Total	<u>\$ 662.15</u>	Cash Short

At all times, the manual and/or 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)

INTEREST ON INVESTMENTS AND RENEWAL OF CERTIFICATES OF DEPOSITS

Upon maturity investments were renewed and the interest earned on all investments was automatically added to the principal and not recorded in the records until the investment was cashed.

A certificate of deposit may be renewed for an additional term if authorized by the governing board, without the original certificate of deposit being paid by the depository and a warrant being issued for the purchase of a new certificate of deposit. However, if renewed, the interest due the political subdivision shall be paid to the treasurer at each maturity date, so the records will reflect the true financial condition and the amount invested at all times. The interest shall not be added to the original deposit and reinvested by the depository. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (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 June 29, 2006, with Kay Gipson, Clerk-Treasurer; and Stephen R. Overmeyer, President of the Town Council. The officials concurred with our findings.