

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, 2005 to December 31, 2006



FILED
10/26/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lynn Marietta Vacant Toni Gilbert	01-01-02 to 04-15-06 04-16-06 to 04-30-06 05-01-06 to 12-31-07
President of the Town Council	Ernest Payton	01-01-05 to 12-31-07
Superintendent of Water Utility	Robert Umbarger	01-01-05 to 12-31-07



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, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 23, 2007

TOWN OF DANA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash 01-01-05	Receipts	Disbursements	Cash 12-31-05
Governmental Funds:				
General	\$ 71,002	\$ 68,536	\$ 82,672	\$ 56,866
Motor Vehicle Highway	56,866	25,315	17,193	64,988
Local Road and Street	12,211	3,592	642	15,161
Park and Recreation	9,278	683	-	9,961
Law Enforcement Continuing Education	845	40	-	885
Riverboat	200	3	-	203
Rainy Day	2,213	-	-	2,213
Sewage Project	929	-	-	929
Community Development Block Grant	2,030	11,470	12,500	1,000
Cumulative Capital Improvement	7,476	2,841	-	10,317
Cumulative Capital Development	17,067	835	1,580	16,322
Proprietary Funds:				
Water Utility - Operating	13,016	137,283	131,416	18,883
Water Utility - Bond and Interest	3,636	7,292	5,468	5,460
Water Utility - Depreciation	32,307	5,723	21,330	16,700
Water Utility - Customer Deposit	7,752	850	8,078	524
Water Utility - Construction	(21,583)	40,125	18,542	-
Water Utility - Meter	7,361	3,404	8,749	2,016
Water Utility - Debt Reserve	57,525	194	44,987	12,732
Fiduciary Fund:				
Payroll	(2,221)	2,221	-	-
Totals	<u>\$ 277,910</u>	<u>\$ 310,407</u>	<u>\$ 353,157</u>	<u>\$ 235,160</u>

	Cash 01-01-06	Receipts	Disbursements	Cash 12-31-06
Governmental Funds:				
General	\$ 56,866	\$ 128,264	\$ 129,874	\$ 55,256
Motor Vehicle Highway	64,988	29,011	28,252	65,747
Local Road and Street	15,161	3,425	-	18,586
Park and Recreation	9,961	484	619	9,826
Law Enforcement Continuing Education	885	220	-	1,105
Riverboat	203	62	-	265
Rainy Day	2,213	-	451	1,762
Sewage Project	929	-	-	929
Community Development Block Grant	1,000	-	1,000	-
Cumulative Capital Improvement	10,317	1,433	-	11,750
Cumulative Capital Development	16,322	-	-	16,322
Proprietary Funds:				
Water Utility - Operating	18,883	135,819	150,195	4,507
Water Utility - Bond and Interest	5,460	18,288	16,748	7,000
Water Utility - Depreciation	16,700	210	-	16,910
Water Utility - Customer Deposit	524	337	440	421
Water Utility - Meter	2,016	2,292	459	3,849
Water Utility - Debt Reserve	12,732	160	-	12,892
Totals	<u>\$ 235,160</u>	<u>\$ 320,005</u>	<u>\$ 328,038</u>	<u>\$ 227,127</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

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. Long-Term Debt

The Town has entered into a bond for water improvements. The outstanding principal at December 31, 2006, was \$116,000.

TOWN OF DANA
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS - TOWN AND WATER UTILITY

Employees were paid at the beginning of the month in advance of hours earned.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FUND SOURCES AND USES - WATER UTILITY

Funds were transferred from the Debt Reserve Fund to the Operating Fund for operating expenses.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (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 August 27, 2007, with Toni Gilbert, Clerk-Treasurer; Lynn Marietta, prior Clerk-Treasurer; and Ernest Payton, President of the Town Council. The officials concurred with our findings.