

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

EXAMINATION REPORT
OF
TOWN OF MAUCKPORT
HARRISON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
08/22/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Judy Fleace

08-25-04 to 12-31-11

President of the Town Council

Robert C. Crosier

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MAUCKPORT, HARRISON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Mauckport (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 12, 2008

TOWN OF MAUCKPORT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 14,010	\$ 6,863	\$ 9,265	\$ 11,608
Motor Vehicle Highway	9,797	3,163	2,016	10,944
Local Road and Street	16,628	1,110	75	17,663
Riverboat	134,423	41,347	19,160	156,610
Cumulative Capital Improvement	3,805	296	-	4,101
County Economic Development Income Tax (CEDIT)	4,259	718	-	4,977
Totals	<u>\$ 182,922</u>	<u>\$ 53,497</u>	<u>\$ 30,516</u>	<u>\$ 205,903</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 11,608	\$ 8,355	\$ 6,329	\$ 13,634
Motor Vehicle Highway	10,944	3,101	2,016	12,029
Local Road and Street	17,663	1,100	200	18,563
Riverboat	156,610	41,011	16,585	181,036
Cumulative Capital Improvement	4,101	292	-	4,393
County Economic Development Income Tax (CEDIT)	4,977	602	-	5,579
Totals	<u>\$ 205,903</u>	<u>\$ 54,461</u>	<u>\$ 25,130</u>	<u>\$ 235,234</u>

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

TOWN OF MAUCKPORT
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: highways and streets 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.

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.

TOWN OF MAUCKPORT
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

The Town approved the use of a credit card to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

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

TOWN OF MAUCKPORT
EXAMINATION RESULTS AND COMMENTS
(Continued)

CAPITAL ASSET RECORDS

The Town does not maintain a record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect 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)

RAINY DAY FUND

The Town received supplemental distributions of CAGIT under Indiana Code 6-3.5-1.1-21.1 and recorded them in the General Fund. The Town has not established a Rainy Day Fund.

Public Law 267, Acts of 2003, changed the method of distributing CAGIT, COIT, and CEDIT revenue. Indiana Code 6-3.5-1.1-21.1, Indiana Code 6-3.5-6-17.3, and Indiana Code 6-3.5-7-17.3 state that if the Department of Revenue determines that an excess of the amounts required to make distributions of CAGIT, COIT or CEDIT exists, such excess shall be distributed in a supplemental distribution in January of the ensuing budget year. Any supplemental distributions received shall be deposited in the city or town's rainy day fund. (Cities and Towns Bulletin and Accounting and Uniform Compliance Guidelines, December 2003 - Page 4)

The fund should be established by ordinance and the ordinance should state the purposes and sources of funding for the fund (Indiana Code 36-1-8-5). (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

TOWN OF MAUCKPORT
EXIT CONFERENCE

The contents of this report were discussed on June 12, 2008, with Robert C. Crosier, President of the Town Council; and Judy Fleace, Clerk-Treasurer. The officials concurred with our findings.