

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

EXAMINATION REPORT
OF
TOWN OF MOORELAND
HENRY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/06/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Long-Term Debt	6
Examination Results and Comments:	
Supporting Documentation	7
Appropriations.....	7
Bank Account Reconciliations	7
Condition of Records	7-8
Annual Report.....	8
Certified Report Not Filed	8
Capital Asset Records	8
Timely Deposits	9
Ordinances and Resolutions	9
Official Bond	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Madison	01-01-08 to 12-31-11
President of the Town Council	George Gard Richard Williams	01-01-08 to 12-31-08 01-01-09 to 12-31-11
Town Marshal	Jeff Murray	01-01-08 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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MOORELAND, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Mooreland (Town), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 14, 2010

TOWN OF MOORELAND
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 16,900	\$ 65,316	\$ 97,097	\$ (14,881)
Motor Vehicle Highway	18,309	10,600	4,793	24,116
Local Road and Street	8,721	3,891	6,650	5,962
Operation Pullover	750	757	757	750
Riverboat	1,951	2,465	1,200	3,216
Park and Recreation	391	-	-	391
Law Enforcement Continuing Education	15	660	-	675
Sidewalk Grant	2,099	-	-	2,099
CD Interest	72	-	-	72
Trash Collection	-	52	-	52
Cumulative Capital Improvement	1,380	1,278	-	2,658
Cumulative Capital Development	12,032	1,555	-	13,587
Proprietary Funds:				
Wastewater Utility - Operating	58,485	112,309	122,566	48,228
Wastewater Utility - Bond and Interest	25,951	12,636	-	38,587
Wastewater Utility - Depreciation	15,059	854	-	15,913
Wastewater Utility - Construction	45,434	6,840	-	52,274
Wastewater Utility - Grant Fund	550	-	550	-
Totals	<u>\$ 208,099</u>	<u>\$ 219,213</u>	<u>\$ 233,613</u>	<u>\$ 193,699</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ (14,881)	\$ 43,952	\$ 55,092	\$ (26,021)
Motor Vehicle Highway	24,116	10,395	9,919	24,592
Local Road and Street	5,962	5,977	49	11,890
Operation Pullover	750	288	288	750
Riverboat	3,216	2,459	-	5,675
Park and Recreation	391	-	-	391
Law Enforcement Continuing Education	675	228	-	903
Sidewalk Grant	2,099	-	1,975	124
CD Interest	72	-	-	72
Trash Collection	52	7,916	5	7,963
Rainy Day	-	1,164	-	1,164
Cumulative Capital Improvement	2,658	1,205	-	3,863
Cumulative Capital Development	13,587	981	-	14,568
Proprietary Funds:				
Wastewater Utility - Operating	48,228	99,430	96,678.00	50,980
Wastewater Utility - Bond and Interest	38,587	12,630	11,700.00	39,517
Wastewater Utility - Depreciation	15,913	854	-	16,767
Wastewater Utility - Construction	52,274	5,332	-	57,606
Totals	<u>\$ 193,699</u>	<u>\$ 192,811</u>	<u>\$ 175,706</u>	<u>\$ 210,804</u>

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

TOWN OF MOORELAND
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: roads and streets, public safety, culture and recreation, sanitation, wastewater utility, 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.

Note 6. Temporary Loans from Proprietary to Governmental Funds

As of December 31, 2009, governmental funds (specifically the General, Motor Vehicle Highway, and Local Road and Street Funds) had yet to repay \$20,000 to the proprietary funds (Wastewater Operating Fund). The loan was advanced in July of 2008 from the Wastewater Utility for the purposes of financing a street paving project paid from the General Fund.

TOWN OF MOORELAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town of Mooreland 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:		
Improvements	\$ <u>79,000</u>	\$ <u>11,950</u>

TOWN OF MOORELAND
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

A few disbursements were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit or examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for examination indicated the following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2008	\$ 50,165.94
General	2009	12,989.00

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the net bank account balances were not presented for examination.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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)

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the Wastewater Utility for the year 2009. The records for the Wastewater Utility were presented and accurate until the months of November and December 2009. Detailed customer accounts were not provided for the Trash or Wastewater Utility.

TOWN OF MOORELAND
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORT

An Annual Report for 2008 or 2009 was not presented for examination.

IC 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CERTIFIED REPORT NOT FILED

The Town did not file a Certified Report of Compensation of Officers and Employees (Form 100-R or its equivalent) with the State Board of Accounts for the year 2009.

IC 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

CAPITAL ASSET RECORDS

No records were presented for examination that indicated that the Town maintains capital asset ledgers.

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 form. 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)

TOWN OF MOORELAND
EXAMINATION RESULTS AND COMMENTS
(Continued)

TIMELY DEPOSITS

As stated in the prior examination, in numerous instances, collections of cash and/or checks were deposited later than the next business day.

IC 5-13-6-1(d) states in part: "A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

ORDINANCES AND RESOLUTIONS

The Town did not provide a rate ordinance for the trash collection process.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BOND

The Clerk-Treasurer's 2009 official bond was not properly filed in the Office of the County Recorder and did not comply with the minimum annual coverage.

The clerk-treasurer shall file an individual official surety bond. The town council shall fix the amount of the bond. The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee according to IC 5-4-1-18.

The bond shall be filed in the office of the county recorder in the county of residence of the clerk-treasurer according to IC 5-4-1-5.1.

TOWN OF MOORELAND
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2010, with Linda Madison, Clerk-Treasurer.