

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

EXAMINATION REPORT  
OF  
TOWN OF FLORA  
CARROLL COUNTY, INDIANA  
January 1, 2009 to December 31, 2010



**FILED**  
08/16/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Joretta L. Tinsman	01-01-08 to 12-31-11
President of the Town Council	Joshua S. Ayers	01-01-09 to 12-31-11
Utility Manager	Charles H. Everett	01-01-09 to 12-31-11
Water and Electric Foreman	Theodore J. Donoho	01-01-09 to 12-31-11
Wastewater Foreman	William L. McCarty	01-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FLORA, CARROLL COUNTY, INDIANA

We have examined the financial statements of the Town of Flora (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. 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 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, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Long-Term Debt, 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 and the Town Council, 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

June 23, 2011

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FINANCIAL STATEMENT(S)

TOWN OF FLORA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General Fund	\$ 1,574,602	\$ 977,489	\$ 969,698	\$ 1,582,393
Health Sweep Account	200	-	-	200
Motor Vehicle Highway Fund	39,960	105,291	110,694	34,557
Local Roads And Streets Fund	263	7,768	-	8,031
Economic Development Income	35,334	57,510	23,073	69,771
Fire Department Grant	-	61,314	61,314	-
Law Enforcement Continuing Education	42,643	12,941	22,425	33,159
River Boat Wagering Tax Rev Sharing	14,017	13,937	1,940	26,014
Caroll Co Communities-Recycle	60,804	101,451	91,802	70,453
Rainy Day Fund	270,371	68,033	-	338,404
Cum Capital Improvment, Cig-Tax	47,573	6,829	-	54,402
Cum Capital Development Fund	250,495	20,593	-	271,088
Cum Sewer Fund	113,538	41,697	47,238	107,997
Payroll	9,586	906,014	903,099	12,501
Electric Operating	333,430	2,023,953	2,061,572	295,811
Electric Depreciation	103,033	132,030	210,066	24,997
Electric Customer Deposit	68,812	13,850	10,825	71,837
Electric Cash Reserve	1,150	15,000	15,000	1,150
Wastewater Operating	85,135	580,087	588,640	76,582
Wastewater Bond & Interest	426,821	451,218	467,874	410,165
Wastewater Depreciation	7,601	13,108	18,938	1,771
Wastewater Customer Deposit	26,449	3,610	3,970	26,089
Water Operating	15,929	391,282	383,883	23,328
Water Bond & Interest	112,019	167,835	184,886	94,968
Water Depreciation	6,521	5,496	1,940	10,077
Water Customer Deposit	17,528	2,560	2,370	17,718
Totals	<u>\$ 3,663,814</u>	<u>\$ 6,180,896</u>	<u>\$ 6,181,247</u>	<u>\$ 3,663,463</u>

The notes to the financial statement(s) are an integral part of this statement.

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

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 1,582,393	\$ 1,006,624	\$ 1,019,520	\$ 1,569,497
Health Sweep Account	200	-	-	200
Motor Vehicle Highway Fund	34,557	106,377	91,426	49,508
Local Roads And Streets Fund	8,031	8,070	16,000	101
Economic Development Income	69,771	54,007	23,958	99,820
Fire Department Grant	-	192,215	192,183	32
Law Enforcement Continuing Education	33,159	2,061	23,521	11,699
River Boat Wagering Tax Rev Sharing	26,014	13,936	13,970	25,980
Carroll Co Communities-Recycle	70,453	96,936	107,609	59,780
Rainy Day Fund	338,404	77,279	-	415,683
Cum Capital Improvment, Cig-Tax	54,402	6,520	-	60,922
Cum Capital Development Fund	271,088	14,188	-	285,276
Cum Sewer Fund	107,997	33,435	34,854	106,578
Payroll	12,501	905,565	905,037	13,029
Electric Operating	295,811	1,985,632	2,065,715	215,728
Electric Depreciation	24,997	40,794	49,948	15,843
Electric Customer Deposit	71,837	13,300	9,655	75,482
Electric Cash Reserve	1,150	15,000	15,000	1,150
Wastewater Operating	76,582	616,480	644,205	48,857
Wastewater Bond & Interest	410,165	450,778	468,700	392,243
Wastewater Depreciation	1,771	1,508	-	3,279
Wastewater Customer Deposit	26,089	3,950	2,930	27,109
Water Operating	23,328	393,359	397,061	19,626
Water Bond & Interest	94,968	168,278	167,878	95,368
Water Depreciation	10,077	7,792	-	17,869
Water Customer Deposit	17,718	2,640	1,900	18,458
Totals	<u>\$ 3,663,463</u>	<u>\$ 6,216,724</u>	<u>\$ 6,251,070</u>	<u>\$ 3,629,117</u>

The notes to the financial statement(s) are an integral part of this statement.

TOWN OF FLORA  
NOTES TO FINANCIAL STATEMENT(S)

**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 (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

*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, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage 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 non-businesses 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, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF FLORA  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

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 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, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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.

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, but are not limited to, 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 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.

TOWN OF FLORA  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

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.

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 FLORA  
NOTES TO FINANCIAL STATEMENT(S)  
(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. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

**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 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 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.

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:

TOWN OF FLORA  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of Flora's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

TOWN OF FLORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General Fund	Health Sweep Account	Motor Vehicle Highway Fund	Local Roads And Streets Fund	Economic Development Income	Fire Department Grant	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 1,574,602	\$ 200	\$ 39,960	\$ 263	\$ 35,334	\$ -	\$ 42,643
Receipts:							
Taxes	537,254	-	-	-	-	-	-
Licenses and permits	509	-	-	-	-	-	-
Intergovernmental	360,003	-	85,754	7,768	57,510	61,314	-
Charges for services	30,014	-	450	-	-	-	1,974
Fines and forfeits	-	-	-	-	-	-	8,467
Utility fees	-	-	-	-	-	-	-
Other receipts	49,709	-	19,087	-	-	-	2,500
Total receipts	<u>977,489</u>	<u>-</u>	<u>105,291</u>	<u>7,768</u>	<u>57,510</u>	<u>61,314</u>	<u>12,941</u>
Disbursements:							
Personal services	445,484	-	40,183	-	-	-	2,056
Supplies	42,261	-	21,057	-	-	-	219
Other services and charges	383,048	-	49,454	-	23,073	-	150
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	48,739	-	-	-	-	61,314	20,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	50,166	-	-	-	-	-	-
Total disbursements	<u>969,698</u>	<u>-</u>	<u>110,694</u>	<u>-</u>	<u>23,073</u>	<u>61,314</u>	<u>22,425</u>
Excess (deficiency) of receipts over disbursements	<u>7,791</u>	<u>-</u>	<u>(5,403)</u>	<u>7,768</u>	<u>34,437</u>	<u>-</u>	<u>(9,484)</u>
Cash and investments - ending	<u>\$ 1,582,393</u>	<u>\$ 200</u>	<u>\$ 34,557</u>	<u>\$ 8,031</u>	<u>\$ 69,771</u>	<u>\$ -</u>	<u>\$ 33,159</u>

TOWN OF FLORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	River Boat Wagering Tax Rev Sharing	Caroll Co Communities-Recycle	Rainy Day Fund	Cum Capital Improvment, Cig-Tax	Cum Capital Development Fund	Cum Sewer Fund	Payroll
Cash and investments - beginning	\$ 14,017	\$ 60,804	\$ 270,371	\$ 47,573	\$ 250,495	\$ 113,538	\$ 9,586
Receipts:							
Taxes	-	-	-	-	13,808	34,234	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,937	56,616	11,207	6,829	2,056	5,098	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	44,835	56,826	-	4,729	2,365	906,014
Total receipts	13,937	101,451	68,033	6,829	20,593	41,697	906,014
Disbursements:							
Personal services	-	38,895	-	-	-	-	-
Supplies	-	12,848	-	-	-	-	-
Other services and charges	1,940	40,059	-	-	-	47,238	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	903,099
Total disbursements	1,940	91,802	-	-	-	47,238	903,099
Excess (deficiency) of receipts over disbursements	11,997	9,649	68,033	6,829	20,593	(5,541)	2,915
Cash and investments - ending	\$ 26,014	\$ 70,453	\$ 338,404	\$ 54,402	\$ 271,088	\$ 107,997	\$ 12,501

TOWN OF FLORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Electric Operating	Electric Depreciation	Electric Customer Deposit	Electric Cash Reserve	Wastewater Operating	Wastewater Bond & Interest	Wastewater Depreciation
Cash and investments - beginning	\$ 333,430	\$ 103,033	\$ 68,812	\$ 1,150	\$ 85,135	\$ 426,821	\$ 7,601
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	1,984,012	-	-	-	553,474	-	-
Other receipts	39,941	132,030	13,850	15,000	26,613	451,218	13,108
Total receipts	<u>2,023,953</u>	<u>132,030</u>	<u>13,850</u>	<u>15,000</u>	<u>580,087</u>	<u>451,218</u>	<u>13,108</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	223,937	-
Capital outlay	29,224	105,033	-	-	-	-	-
Utility operating expenses	1,971,648	-	-	-	309,389	-	-
Other disbursements	60,700	105,033	10,825	15,000	279,251	243,937	18,938
Total disbursements	<u>2,061,572</u>	<u>210,066</u>	<u>10,825</u>	<u>15,000</u>	<u>588,640</u>	<u>467,874</u>	<u>18,938</u>
Excess (deficiency) of receipts over disbursements	<u>(37,619)</u>	<u>(78,036)</u>	<u>3,025</u>	<u>-</u>	<u>(8,553)</u>	<u>(16,656)</u>	<u>(5,830)</u>
Cash and investments - ending	<u>\$ 295,811</u>	<u>\$ 24,997</u>	<u>\$ 71,837</u>	<u>\$ 1,150</u>	<u>\$ 76,582</u>	<u>\$ 410,165</u>	<u>\$ 1,771</u>

TOWN OF FLORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Wastewater Customer Deposit	Water Operating	Water Bond & Interest	Water Depreciation	Water Customer Deposit	Water Construction	Totals
Cash and investments - beginning	\$ 26,449	\$ 15,929	\$ 112,019	\$ 6,521	\$ 17,528	\$ -	\$ 3,663,814
Receipts:							
Taxes	-	-	-	-	-	-	585,296
Licenses and permits	-	-	-	-	-	-	509
Intergovernmental	-	-	-	-	-	-	668,092
Charges for services	-	-	-	-	-	-	32,438
Fines and forfeits	-	-	-	-	-	-	8,467
Utility fees	-	362,515	-	-	-	-	2,900,001
Other receipts	3,610	28,767	167,835	5,496	2,560	-	1,986,093
Total receipts	3,610	391,282	167,835	5,496	2,560	-	6,180,896
Disbursements:							
Personal services	-	-	-	-	-	-	526,618
Supplies	-	-	-	-	-	-	76,385
Other services and charges	-	-	-	-	-	-	544,962
Debt service - principal and interest	-	-	83,693	-	-	-	307,630
Capital outlay	-	-	-	-	-	-	264,310
Utility operating expenses	3,970	237,773	-	-	2,370	-	2,525,150
Other disbursements	-	146,110	101,193	1,940	-	-	1,936,192
Total disbursements	3,970	383,883	184,886	1,940	2,370	-	6,181,247
Excess (deficiency) of receipts over disbursements	(360)	7,399	(17,051)	3,556	190	-	(351)
Cash and investments - ending	\$ 26,089	\$ 23,328	\$ 94,968	\$ 10,077	\$ 17,718	\$ -	\$ 3,663,463

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

	General Fund	Health Sweep Account	Motor Vehicle Highway Fund	Local Roads And Streets Fund	Economic Development Income	Fire Department Grant	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 1,582,393	\$ 200	\$ 34,557	\$ 8,031	\$ 69,771	\$ -	\$ 33,159
Receipts:							
Taxes	573,958	-	-	-	-	-	-
Licenses and permits	494	-	-	-	-	-	-
Intergovernmental	359,470	-	84,379	8,070	54,007	192,215	-
Charges for services	33,430	-	450	-	-	-	1,243
Fines and forfeits	-	-	-	-	-	-	320
Utility fees	-	-	-	-	-	-	-
Other receipts	39,272	-	21,548	-	-	-	498
Total receipts	<u>1,006,624</u>	<u>-</u>	<u>106,377</u>	<u>8,070</u>	<u>54,007</u>	<u>192,215</u>	<u>2,061</u>
Disbursements:							
Personal services	454,419	-	43,813	-	-	-	1,119
Supplies	42,320	-	16,671	-	-	-	-
Other services and charges	398,854	-	30,942	16,000	23,958	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	73,769	-	-	-	-	192,183	22,402
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	50,158	-	-	-	-	-	-
Total disbursements	<u>1,019,520</u>	<u>-</u>	<u>91,426</u>	<u>16,000</u>	<u>23,958</u>	<u>192,183</u>	<u>23,521</u>
Excess (deficiency) of receipts over disbursements	<u>(12,896)</u>	<u>-</u>	<u>14,951</u>	<u>(7,930)</u>	<u>30,049</u>	<u>32</u>	<u>(21,460)</u>
Cash and investments - ending	<u>\$ 1,569,497</u>	<u>\$ 200</u>	<u>\$ 49,508</u>	<u>\$ 101</u>	<u>\$ 99,820</u>	<u>\$ 32</u>	<u>\$ 11,699</u>

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

	River Boat Wagering Tax Rev Sharing	Caroll Co Communities-Recycle	Rainy Day Fund	Cum Capital Improvment, Cig-Tax	Cum Capital Development Fund	Cum Sewer Fund	Payroll
Cash and investments - beginning	\$ 26,014	\$ 70,453	\$ 338,404	\$ 54,402	\$ 271,088	\$ 107,997	\$ 12,501
Receipts:							
Taxes	-	-	-	-	10,860	28,262	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,936	56,616	25,662	6,520	1,668	4,342	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	40,320	51,617	-	1,660	831	905,565
Total receipts	13,936	96,936	77,279	6,520	14,188	33,435	905,565
Disbursements:							
Personal services	-	38,370	-	-	-	-	-
Supplies	-	15,701	-	-	-	-	-
Other services and charges	13,970	48,287	-	-	-	34,854	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	5,251	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	905,037
Total disbursements	13,970	107,609	-	-	-	34,854	905,037
Excess (deficiency) of receipts over disbursements	(34)	(10,673)	77,279	6,520	14,188	(1,419)	528
Cash and investments - ending	\$ 25,980	\$ 59,780	\$ 415,683	\$ 60,922	\$ 285,276	\$ 106,578	\$ 13,029

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

	Electric Operating	Electric Depreciation	Electric Customer Deposit	Electric Cash Reserve	Wastewater Operating	Wastewater Bond & Interest	Wastewater Depreciation
Cash and investments - beginning	\$ 295,811	\$ 24,997	\$ 71,837	\$ 1,150	\$ 76,582	\$ 410,165	\$ 1,771
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	1,938,249	-	-	-	541,707	-	-
Other receipts	47,383	40,794	13,300	15,000	74,773	450,778	1,508
Total receipts	1,985,632	40,794	13,300	15,000	616,480	450,778	1,508
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	224,350	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	1,962,400	-	9,655	15,000	323,667	-	-
Other disbursements	103,315	49,948	-	-	320,538	244,350	-
Total disbursements	2,065,715	49,948	9,655	15,000	644,205	468,700	-
Excess (deficiency) of receipts over disbursements	(80,083)	(9,154)	3,645	-	(27,725)	(17,922)	1,508
Cash and investments - ending	\$ 215,728	\$ 15,843	\$ 75,482	\$ 1,150	\$ 48,857	\$ 392,243	\$ 3,279

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

	Wastewater Customer Deposit	Water Operating	Water Bond & Interest	Water Depreciation	Water Customer Deposit	Totals
Cash and investments - beginning	\$ 26,089	\$ 23,328	\$ 94,968	\$ 10,077	\$ 17,718	\$ 3,663,463
Receipts:						
Taxes	-	-	-	-	-	613,080
Licenses and permits	-	-	-	-	-	494
Intergovernmental	-	-	-	-	-	806,885
Charges for services	-	-	-	-	-	35,123
Fines and forfeits	-	-	-	-	-	320
Utility fees	-	381,310	-	-	-	2,861,266
Other receipts	3,950	12,049	168,278	7,792	2,640	1,899,556
Total receipts	<u>3,950</u>	<u>393,359</u>	<u>168,278</u>	<u>7,792</u>	<u>2,640</u>	<u>6,216,724</u>
Disbursements:						
Personal services	-	-	-	-	-	537,721
Supplies	-	-	-	-	-	74,692
Other services and charges	-	-	-	-	-	566,865
Debt service - principal and interest	-	-	83,939	-	-	308,289
Capital outlay	-	-	-	-	-	293,605
Utility operating expenses	2,930	267,549	-	-	1,900	2,583,101
Other disbursements	-	129,512	83,939	-	-	1,886,797
Total disbursements	<u>2,930</u>	<u>397,061</u>	<u>167,878</u>	<u>-</u>	<u>1,900</u>	<u>6,251,070</u>
Excess (deficiency) of receipts over disbursements	<u>1,020</u>	<u>(3,702)</u>	<u>400</u>	<u>7,792</u>	<u>740</u>	<u>(34,346)</u>
Cash and investments - ending	<u>\$ 27,109</u>	<u>\$ 19,626</u>	<u>\$ 95,368</u>	<u>\$ 17,869</u>	<u>\$ 18,458</u>	<u>\$ 3,629,117</u>

TOWN OF FLORA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
2000 Improvement and Construction	\$ 710,000	\$ 82,141
Wastewater Utility:		
Revenue bonds:		
1993 Improvement and Construction	170,000	68,640
1999 Improvement and Construction	1,746,000	155,634
Total Wastewater Utility	1,916,000	224,274
Total business-type activities debt	\$ 2,626,000	\$ 306,415

TOWN OF FLORA  
EXAMINATION RESULT(S) AND COMMENT(S)

***CAPITAL ASSET RECORDS***

The Town and Utilities do not maintain sufficient detailed records of capital assets for its capital asset and its utility plant in service accounts. A complete detailed listing of capital assets and utility plant in service was prepared through December 31, 2008. However, this record has not been maintained by the Town or the Utilities since that time.

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 FLORA  
EXIT CONFERENCE

The contents of this report were discussed on June 23, 2011, with Joshua S. Ayers, President of the Town Council, and Joretta L. Tinsman, Clerk-Treasurer. The officials concurred with our finding.