

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

EXAMINATION REPORT
OF
TOWN OF MECCA
PARKE COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
11/17/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6-7
Notes to Financial Statements	8-11
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14
Examination Results and Comments:	
Board Minutes.....	15
Official Bond	15
Capital Asset Records	15
List of Employees Not Filed With County Treasurer	15-16
Condition of Records	16
Appropriations.....	16
Annual Report.....	17
Advance Payments.....	17
Federal and State Agencies - Compliance Requirements	17
Penalties, Interest, and Other Charges	17-18
Errors on Claims	18
Optical Images of Warrants	19
Prescribed Forms	19
Compensation and Benefits	19-20
Salary Ordinance.....	20
Exit Conference.....	21
Summary	22
Affidavit	23

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Eleanor Fellows

01-01-08 to 12-31-11

President of the Town Council

David B. Capps

01-01-09 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 MECCA, PARKE COUNTY, INDIANA

We were engaged to examine the financial statements of the Town of Mecca (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements.

The Town did not properly maintain accounting records. The Town's records do not permit the application of other examination procedures to ascertain if the financial statements are fairly stated.

Since the Town did not properly maintain accounting records and we were not able to apply other examination procedures to satisfy ourselves as to whether the financial statements are fairly stated, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statements. It has not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management and 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

August 4, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENTS

TOWN OF MECCA
 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
Totals - All Fund	\$ 34,549	\$ 263,524	\$ 168,949	\$ 42,112

The notes to the financial statements are an integral part of the financial information.

TOWN OF MECCA
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	\$ 2,338	\$ 16,734	\$ 8,244	\$ 10,828
Motor Vehicle Highway	22,992	12,016	3,057	31,951
Local Road and Street	3,460	1,410	431	4,439
Cumulative Capital Improvement	6,043	1,593	-	7,636
Public Safety Fund	-	687	-	687
Totals	<u>\$ 34,833</u>	<u>\$ 32,440</u>	<u>\$ 11,732</u>	<u>\$ 55,541</u>

The notes to the financial statements are an integral part of the financial information.

TOWN OF MECCA
NOTES TO FINANCIAL STATEMENTS

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 presents 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 nonbusinesses 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 MECCA
NOTES TO FINANCIAL STATEMENTS
(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 which 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 MECCA
NOTES TO FINANCIAL STATEMENTS
(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 MECCA
NOTES TO FINANCIAL STATEMENTS
(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 and replacement items purchased.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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

	General	Mvh	L R & S	Cci	Public Safety Fund	Totals
Cash and investments - beginning	\$ 2,338	\$ 22,992	\$ 3,460	\$ 6,043	\$ -	\$ 34,833
Receipts:						
Taxes	16,734	-	-	-	-	16,734
Intergovernmental	-	12,016	1,410	1,593	-	15,019
Other receipts	-	-	-	-	687	687
Total receipts	<u>16,734</u>	<u>12,016</u>	<u>1,410</u>	<u>1,593</u>	<u>687</u>	<u>32,440</u>
Disbursements:						
Personal services	7,536	-	-	-	-	7,536
Supplies	67	1,845	431	-	-	2,343
Other services and charges	641	1,212	-	-	-	1,853
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>8,244</u>	<u>3,057</u>	<u>431</u>	<u>-</u>	<u>-</u>	<u>11,732</u>
Excess (deficiency) of receipts over disbursements	<u>8,490</u>	<u>8,959</u>	<u>979</u>	<u>1,593</u>	<u>687</u>	<u>20,708</u>
Cash and investments - ending	<u>\$ 10,828</u>	<u>\$ 31,951</u>	<u>\$ 4,439</u>	<u>\$ 7,636</u>	<u>\$ 687</u>	<u>\$ 55,541</u>

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

The following minutes of meetings of the governing body were not available for examination: March, April, and July 2010. The minutes provided for other meetings were not certified by the Clerk-Treasurer and some of the minutes were not certified by the Board.

Indiana Code 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

OFFICIAL BOND

The Clerk-Treasurer did not have an official bond for the period of January 1, 2009 through November 2, 2009. An official bond was purchased for the term of November 3, 2009 to November 3, 2010, with a continuation certificate through November 3, 2011, but it was not recorded at the County Recorder's office. A similar comment was included in prior Report B35407.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

CAPITAL ASSET RECORDS

The Town owns capital assets but does not maintain capital asset records.

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

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of employees was not certified to the County Treasurer. A similar comment was included in prior Report B35407.

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior examination Report B35407, were again present during our period of examination:

1. Record balances were not reconciled to depository balances during the two year period.

Indiana Code 5-13-6-1(e) states: "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."

2. There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, and interest not posted. State and Local Distributions were not posted timely and some distributions were posted to the wrong fund. The detailed ledgers did not reconcile to the control ledger.

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)

3. In numerous instances, receipts were deposited later than the next business day. One local distribution was held for over five months before being deposited.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

APPROPRIATIONS

All expenditures for 2009 and 2010 were in excess of appropriations. Per the Department of Local Government Finance, the budget for 2009 was not approved due to not being properly appropriated and the budget for 2010 was not approved due to improper advertising.

Indiana Code 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."

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS
(Continued)

ANNUAL REPORT

An annual report for 2009 was not presented for examination. The Town's detailed ledger did not reconcile to the control ledger and the control ledger did not cross foot. An annual report for 2010 was presented for examination but did not trace to the ledger.

Indiana Code 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 . . ."

ADVANCE PAYMENTS

Every monthly payroll check issued to the Clerk-Treasurer in 2009 and 2010 was issued in advance. The Clerk-Treasurer received 13 payments each year. The last 1 of the year was dated for the following year, but cashed in December. A similar comment was included in prior Report B35407.

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Town did not comply with directives of the Internal Revenue Service and Indiana Department of Revenue. Taxes were not withheld from the wages and 1099s were issued instead of W2s for 2009. In 2010, taxes were withheld from all wages except for those paid to the Town Marshall. A similar comment was included in Report B35407.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES

The Internal Revenue Service and Indiana Department of Revenue are not being paid timely. A notice from the Internal Revenue Service dated July 5, 2010, assessed penalties and interest of \$13.76. Additionally, the Indiana Department of Revenue assessed penalties and interest of \$5.19. There was not any evidence to indicate that the Town has paid any of the penalties and interest.

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

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

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

1. Four of twenty disbursements tested did not have a claim.
2. Eleven of twenty disbursements tested did not have an adequately itemized invoice attached.
3. Six of twenty disbursements tested were not posted to the ledger.
4. Eight of twenty disbursements tested did not have evidence to support receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS
(Continued)

OPTICAL IMAGES OF WARRANTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

Indiana Code 5-15-6-3 concerning optical imaging of checks states in part:

"(a) . . . 'original records' . . . includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Further, Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

Town Form 217	Clerk-Treasurer Receipt
Town Form 219	Clerk-Treasurer's Warrant
General Form 99B	Employee's Earning Record

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)

COMPENSATION AND BENEFITS

Salaries were increased for 2010 without any justification or supporting documentation to support the increase. The Town did not prepare a salary ordinance for 2010. David Capps, President of the Town Council, and James Griffin and Judy Wilson, Town Council members, received \$143.53 each in

TOWN OF MECCA
EXAMINATION RESULTS AND COMMENTS
(Continued)

excess salary payments for 2010. Brenda Stites, Town Council member, received \$83.53 in excess salary payment and Eleanor Fellows, Clerk-Treasurer, received \$6.24 in excess salary payments for 2010. The excess salary payments were an increased amount above the 2009 salaries.

We have requested that David Capps, James Griffin and Judy Wilson repay \$143.53 each to the Town of Mecca. We have requested that Brenda Stites repay \$83.53 to the Town of Mecca. We have requested that Eleanor Fellows, Clerk-Treasurer, repay \$6.24 to the Town of Mecca. (See Summary, page 22)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SALARY ORDINANCE

The Town did not approve a salary ordinance for 2010.

Compensation of all town officers and employees shall be fixed by an ordinance of the town council, and for other than elected town officials, this compensation may be changed by another ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. [IC 36-5-3-2]

At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available utility funds. The compensation of an elected town official may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year. The approval of a claim for increased compensation does not authorize the town Clerk-Treasurer to pay such increase unless it is specifically provided for by ordinance of the town council. (Accounting and Uniform Compliance Guidelines Manual For Cities and Towns, Chapter 7)

We recommend a salary ordinance for officials and employees for the next succeeding year should be enacted by the town council annually on or before July 1 of each year and made a part of the minutes of the town council. This action is recommended in order for town officials to have such information available prior to making out the annual budget for the next year's costs of operation. (Accounting and Uniform Compliance Guidelines Manual For Cities and Towns, Chapter 7)

TOWN OF MECCA
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2011, with Eleanor Fellows, Clerk-Treasurer. The official concurred with our findings.

The contents of this report were discussed on August 4, 2011, with David B. Capps, President of the Town Council.

TOWN OF MECCA
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Eleanor Fellows, Clerk-Treasurer:			
Compensation and Benefits, pages 19 and 20	\$ 6.24	\$	\$
Paid October 4, 2011, Check No. 552		<u>6.24</u>	<u>-</u>
Totals - Eleanor Fellows	<u>\$ 6.24</u>	<u>\$ 6.24</u>	<u>\$ -</u>
David Capps, President of the Town Council:			
Compensation and Benefits, pages 19 and 20	\$ 143.53	\$ -	\$ 143.53
James Griffin, Town Council member:			
Compensation and Benefits, pages 19 and 20	\$ 143.53	\$ -	\$ 143.53
Brenda Stites, Town Council member:			
Compensation and Benefits, pages 19 and 20	\$ 83.53	\$	\$
Paid October 4, 2011, Check No. 2114		<u>83.53</u>	<u>-</u>
Totals - Brenda Stites	<u>\$ 83.53</u>	<u>\$ 83.53</u>	<u>\$ -</u>
Judy Wilson, Town Council member:			
Compensation and Benefits, pages 19 and 20	\$ 143.53	\$	\$
Paid October 3, 2011, Check No. 681		<u>143.53</u>	<u>-</u>
Totals - Judy Wilson	<u>\$ 143.53</u>	<u>\$ 143.53</u>	<u>\$ -</u>

AFFIDAVIT

STATE OF INDIANA)
Parke)
 COUNTY)

I, Melissa Griffin, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Town of Mecca, Parke County, Indiana, for the period from January 1, 2009 to December 31, 2010, is true and correct to the best of my knowledge and belief.

Melissa Griffin
Field Examiner

Subscribed and sworn to before me this 19 day of September, 2011.

Deana Harlett
Clerk of the Circuit Court