

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF MCCORDSVILLE

HANCOCK COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
06/26/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Catherine C. Gardner	01-01-08 to 12-31-15
President of the Town Council	Thomas R. Strayer	01-01-10 to 12-31-11
	Brent A. Barnes	01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MCCORDSVILLE, HANCOCK COUNTY, INDIANA

We have examined the financial statements of the Town of McCordsville (Town), for the period of January 1, 2010 to December 31, 2011. 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, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity 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

May 24, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 851,438	\$ 1,452,734	\$ 1,562,752	\$ 741,420
MVH	197,098	400,779	289,796	308,081
LRS	36,315	21,731	4,600	53,446
CCI	6,939	3,320	10,000	259
Police Equipment Donation	1,490	58	-	1,548
LLE	11,817	8,207	1,116	18,908
Riverboat	21,472	-	-	21,472
Rainy Day	759,783	404,155	20,246	1,143,692
LE Investigation Aid	6,474	40	-	6,514
Levy Excess	-	2,883	-	2,883
Economic Development-Cedit	-	87,734	6,749	80,985
Payroll	2,115	1,328,649	1,331,465	(701)
Storm Water Mgmt	222,926	201,151	66,771	357,306
Sewer Operating	308,614	908,860	1,084,202	133,272
Sewer Constnution	226,966	56,308	79,322	203,952
Sewer CCI	738,461	295,461	390,186	643,736
Sewer Developer	29,561	72,100	74,700	26,961
Totals	<u>\$ 3,421,469</u>	<u>\$ 5,244,170</u>	<u>\$ 4,921,905</u>	<u>\$ 3,743,734</u>

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

TOWN OF MCCORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 741,420	\$ 1,606,188	\$ 1,402,152	\$ 945,456
LLE	18,908	10,310	12,992	16,226
Riverboat	21,472	-	-	21,472
Rainy Day	1,143,692	57,331	763,203	437,820
Levy Excess	2,883	-	2,883	-
LOIT	-	104,413	-	104,413
MVH	308,081	403,993	244,936	467,138
LRS	53,446	21,240	8,150	66,536
CCI	259	3,257	-	3,516
Police Equipment Donation	1,548	16	-	1,564
LE Investigation Aid	6,514	41	-	6,555
Economic Development CEDIT	80,985	-	-	80,985
Payroll	(701)	1,242,598	1,212,735	29,162
Storm Water Mgmt	357,306	228,630	147,810	438,126
Sewer Cash Drawer	200	-	-	200
Sewer Operating	133,072	926,344	981,794	77,622
Sewer CCI	643,736	287,966	931,702	-
Sewer Construction	203,952	144,264	17,394	330,822
Sewer Developer	26,961	118,500	57,300	88,161
Totals	<u>\$ 3,743,734</u>	<u>\$ 5,155,091</u>	<u>\$ 5,783,051</u>	<u>\$ 3,115,774</u>

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

TOWN OF MCCORDSVILLE
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 present the financial information for the Town.

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 include 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.

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,

TOWN OF MCCORDSVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include 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.

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.

TOWN OF MCCORDSVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF MCCORDSVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Plans

A. 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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

TOWN OF MCCORDSVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Additional Pension Plan

The Town started contributing to PERF effective January 1, 2011. The Town also contributed to an additional pension plan unique to the Town during the examination period. The Town contributed to that plan through December 31, 2010, with employees able to contribute through June 30, 2011. Information regarding this plan may be obtained from the Town.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

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

	General	MVH	LRS	CCI	Police Equipment Donation	LLE
Cash and investments - beginning	\$ 851,438	\$ 197,098	\$ 36,315	\$ 6,939	\$ 1,490	\$ 11,817
Receipts:						
Taxes	753,896	272,564	21,731	-	-	-
Licenses and permits	-	8,290	-	-	-	2,070
Intergovernmental	625,382	71,220	-	3,320	-	-
Charges for services	-	-	-	-	-	832
Fines and forfeits	2,690	2,450	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	70,766	46,255	-	-	58	5,305
Total receipts	<u>1,452,734</u>	<u>400,779</u>	<u>21,731</u>	<u>3,320</u>	<u>58</u>	<u>8,207</u>
Disbursements:						
Personal services	838,319	59,095	-	-	-	712
Supplies	39,331	21,000	-	-	-	164
Other services and charges	321,133	151,502	2,911	-	-	240
Capital outlay	77,962	14,430	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	286,007	43,769	1,689	10,000	-	-
Total disbursements	<u>1,562,752</u>	<u>289,796</u>	<u>4,600</u>	<u>10,000</u>	<u>-</u>	<u>1,116</u>
Excess (deficiency) of receipts over disbursements	<u>(110,018)</u>	<u>110,983</u>	<u>17,131</u>	<u>(6,680)</u>	<u>58</u>	<u>7,091</u>
Cash and investments - ending	<u>\$ 741,420</u>	<u>\$ 308,081</u>	<u>\$ 53,446</u>	<u>\$ 259</u>	<u>\$ 1,548</u>	<u>\$ 18,908</u>

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

	Riverboat	Rainy Day	LE Investigation Aid	Levy Excess	Economic Development-Cedit	Payroll
Cash and investments - beginning	\$ 21,472	\$ 759,783	\$ 6,474	\$ -	\$ -	\$ 2,115
Receipts:						
Taxes	-	-	-	2,883	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	74,060	-	-	67,488	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	330,095	40	-	20,246	1,328,649
Total receipts	-	404,155	40	2,883	87,734	1,328,649
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	20,246	-	-	6,749	1,331,465
Total disbursements	-	20,246	-	-	6,749	1,331,465
Excess (deficiency) of receipts over disbursements	-	383,909	40	2,883	80,985	(2,816)
Cash and investments - ending	\$ 21,472	\$ 1,143,692	\$ 6,514	\$ 2,883	\$ 80,985	\$ (701)

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

	Storm Water Mgmt	Sewer Operating	Sewer Construction	Sewer CCI	Sewer Developer	Totals
Cash and investments - beginning	\$ 222,926	\$ 308,614	\$ 226,966	\$ 738,461	\$ 29,561	\$ 3,421,469
Receipts:						
Taxes	-	-	-	-	-	1,051,074
Licenses and permits	-	-	-	-	-	10,360
Intergovernmental	-	-	-	-	-	841,470
Charges for services	-	-	-	-	-	832
Fines and forfeits	-	-	-	-	-	5,140
Utility fees	190,494	894,524	-	-	72,100	1,157,118
Other receipts	10,657	14,336	56,308	295,461	-	2,178,176
Total receipts	<u>201,151</u>	<u>908,860</u>	<u>56,308</u>	<u>295,461</u>	<u>72,100</u>	<u>5,244,170</u>
Disbursements:						
Personal services	-	-	-	-	-	898,126
Supplies	-	-	-	-	-	60,495
Other services and charges	-	-	-	-	-	475,786
Capital outlay	4,279	-	8,840	-	-	105,511
Utility operating expenses	31,643	747,865	-	192,483	74,700	1,046,691
Other disbursements	30,849	336,337	70,482	197,703	-	2,335,296
Total disbursements	<u>66,771</u>	<u>1,084,202</u>	<u>79,322</u>	<u>390,186</u>	<u>74,700</u>	<u>4,921,905</u>
Excess (deficiency) of receipts over disbursements	<u>134,380</u>	<u>(175,342)</u>	<u>(23,014)</u>	<u>(94,725)</u>	<u>(2,600)</u>	<u>322,265</u>
Cash and investments - ending	<u>\$ 357,306</u>	<u>\$ 133,272</u>	<u>\$ 203,952</u>	<u>\$ 643,736</u>	<u>\$ 26,961</u>	<u>\$ 3,743,734</u>

TOWN OF MCCORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	LLE	Riverboat	Rainy Day	Levy Excess	LOIT	MVH
Cash and investments - beginning	\$ 741,420	\$ 18,908	\$ 21,472	\$ 1,143,692	\$ 2,883	\$ -	\$ 308,081
Receipts:							
Taxes	815,831	-	-	-	-	-	318,423
Licenses and permits	27,458	1,630	-	-	-	-	18,405
Intergovernmental	493,888	-	-	-	-	104,413	50,217
Charges for services	25,385	1,232	-	-	-	-	-
Fines and forfeits	335	7,448	-	-	-	-	16,250
Utility fees	-	-	-	-	-	-	-
Other receipts	243,291	-	-	57,331	-	-	698
Total receipts	<u>1,606,188</u>	<u>10,310</u>	<u>-</u>	<u>57,331</u>	<u>-</u>	<u>104,413</u>	<u>403,993</u>
Disbursements:							
Personal services	745,990	-	-	-	-	-	48,055
Supplies	54,151	6,265	-	-	-	-	16,362
Other services and charges	312,994	1,180	-	-	-	-	54,730
Capital outlay	82,817	-	-	763,203	-	-	121,410
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	206,200	5,547	-	-	2,883	-	4,379
Total disbursements	<u>1,402,152</u>	<u>12,992</u>	<u>-</u>	<u>763,203</u>	<u>2,883</u>	<u>-</u>	<u>244,936</u>
Excess (deficiency) of receipts over disbursements	<u>204,036</u>	<u>(2,682)</u>	<u>-</u>	<u>(705,872)</u>	<u>(2,883)</u>	<u>104,413</u>	<u>159,057</u>
Cash and investments - ending	<u>\$ 945,456</u>	<u>\$ 16,226</u>	<u>\$ 21,472</u>	<u>\$ 437,820</u>	<u>\$ -</u>	<u>\$ 104,413</u>	<u>\$ 467,138</u>

TOWN OF MCCORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	LRS	CCI	Police Equipment Donation	LE Investigation Aid	Economic Development CEDIT	Payroll	Storm Water Mgmt
Cash and investments - beginning	\$ 53,446	\$ 259	\$ 1,548	\$ 6,514	\$ 80,985	\$ (701)	\$ 357,306
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	21,240	3,257	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	203,230
Other receipts	-	-	16	41	-	1,242,598	25,400
Total receipts	<u>21,240</u>	<u>3,257</u>	<u>16</u>	<u>41</u>	<u>-</u>	<u>1,242,598</u>	<u>228,630</u>
Disbursements:							
Personal services	-	-	-	-	-	939,910	-
Supplies	-	-	-	-	-	-	-
Other services and charges	5,400	-	-	-	-	2,698	-
Capital outlay	-	-	-	-	-	-	86,538
Utility operating expenses	-	-	-	-	-	-	32,178
Other disbursements	2,750	-	-	-	-	270,127	29,094
Total disbursements	<u>8,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,735</u>	<u>147,810</u>
Excess (deficiency) of receipts over disbursements	<u>13,090</u>	<u>3,257</u>	<u>16</u>	<u>41</u>	<u>-</u>	<u>29,863</u>	<u>80,820</u>
Cash and investments - ending	<u>\$ 66,536</u>	<u>\$ 3,516</u>	<u>\$ 1,564</u>	<u>\$ 6,555</u>	<u>\$ 80,985</u>	<u>\$ 29,162</u>	<u>\$ 438,126</u>

TOWN OF MCCORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sewer Cash Drawer	Sewer Operating	Sewer CCI	Sewer Construction	Sewer Developer	Totals
Cash and investments - beginning	\$ 200	\$ 133,072	\$ 643,736	\$ 203,952	\$ 26,961	\$ 3,743,734
Receipts:						
Taxes	-	-	-	-	-	1,134,254
Licenses and permits	-	-	-	-	-	47,493
Intergovernmental	-	-	-	-	-	673,015
Charges for services	-	-	-	-	-	26,617
Fines and forfeits	-	-	-	-	-	24,033
Utility fees	-	921,618	-	142,000	-	1,266,848
Other receipts	-	4,726	287,966	2,264	118,500	1,982,831
Total receipts	-	926,344	287,966	144,264	118,500	5,155,091
Disbursements:						
Personal services	-	-	-	-	-	1,733,955
Supplies	-	-	-	-	-	76,778
Other services and charges	-	-	-	-	-	377,002
Capital outlay	-	-	931,702	-	-	1,985,670
Utility operating expenses	-	719,748	-	15,619	-	767,545
Other disbursements	-	262,046	-	1,775	57,300	842,101
Total disbursements	-	981,794	931,702	17,394	57,300	5,783,051
Excess (deficiency) of receipts over disbursements	-	(55,450)	(643,736)	126,870	61,200	(627,960)
Cash and investments - ending	\$ 200	\$ 77,622	\$ -	\$ 330,822	\$ 88,161	\$ 3,115,774

TOWN OF MCCORDSVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ 11,330
Storm Water	-	1,019
Sewer	-	<u>4,740</u>
Totals	<u>\$ -</u>	<u>\$ 17,089</u>

TOWN OF MCCORDSVILLE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Ford Motor Credit Company	3 2011 Crown Vics	<u>\$ 18,059</u>	01-07-11	01-07-14

TOWN OF MCCORDSVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 25,000
Infrastructure	435,048
Buildings	1,918,000
Machinery, equipment and vehicles	543,459
Total governmental activities	2,921,507
Sw:	
Infrastructure	4,037,132
Wwtp:	
Land	28,100
Infrastructure	7,568,533
Buildings	18,000
Machinery, equipment and vehicles	186,599
Total Wwtp	7,801,232
Total capital assets	\$ 14,759,871

TOWN OF MCCORDSVILLE
EXAMINATION RESULT AND COMMENT

COMPENSATION AND BENEFITS

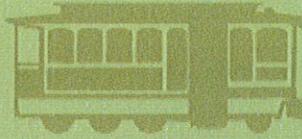
During the examination period, three employees were not paid in accordance with the salary ordinance. This resulted in payments made in excess of the salary ordinance totaling \$1,823.03 for 2010 and \$3,725.68 for 2011, resulting in total overpayments during the examination period of \$5,548.71. On May 8, 2012, the Town Council approved an amended salary ordinance for each year that included the higher rate of pay.

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)

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)

TOWN OF MCCORDSVILLE
EXIT CONFERENCE

The contents of this report were discussed on May 24, 2012, with Catherine C. Gardner, Clerk-Treasurer; Tony Galbraith, Town Manager; and Thomas R. Strayer, Council member. The Official Response has been made a part of this report and may be found on page 25.



Office of the Clerk-Treasurer

Catherine C. Gardner

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McCordsville, IN 46055

317-335-2810

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May 29, 2012

State Board of Accounts
302 Washington St., Room E418
Indianapolis, Indiana 46204-2765

**RE: OFFICIAL RESPONSE
TOWN OF McCCORDSVILLE**

This letter is in response to the May 24, 2012 "Exit Conference Officials' Response" compiled by the State Board of Accounts relative to the January 1, 2010 to December 31, 2011 unit examination.

COMPENSATION AND BENEFITS

The audit lists only one comment for this two-year period. The audit comment states that three employees were not paid in accordance with the salary ordinance. I am responding in order to clearly state that these employees were paid their Council approved hourly rate BUT administration, Council and Clerk-Treasurer did not notice that the range had not been updated at the time the ordinance was passed. Subsequently, this error was rectified by the Council once it was brought to the Town's attention. This correction was submitted to the State Board of Accounts prior to this audit exit conference and should be a part of the official record of this examination.

Respectfully,


Catherine C. Gardner
Clerk-Treasurer