

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF MORRISTOWN

SHELBY COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
11/21/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Thomas W. Reber Donald L. Roberts	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	David L. Benefiel Ralph Henderson David L. Benefiel	01-01-10 to 12-31-10 01-01-11 to 12-31-11 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 MORRISTOWN, SHELBY COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Morristown (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. 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.

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

October 29, 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 MORRISTOWN
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 Fund	\$ 147,248	\$ 488,249	\$ 585,762	\$ 49,735
Motor Vehicle Highway	46,055	171,876	124,150	93,781
Local Road And Street	12,952	9,741	9,194	13,499
In Car Computer Donation	200	-	-	200
Economic Dev. Income	33,281	31,844	19,300	45,825
Local Law Enforcement Cont Ed	7,030	8,365	9,434	5,961
Parks And Recreation	4,635	13,190	1,963	15,862
Fireworks 2003 Donation	99	-	-	99
Rainy Day Fund	18,396	9,653	-	28,049
Levy Excess	-	748	-	748
TIF Redevelopment Pass	-	1,071,450	1,071,450	-
Racino	-	269,396	47,079	222,317
Cum Cap Imp - Cig Tax	9,377	3,317	3,475	9,219
Payroll Net Salary	-	224,003	224,003	-
Payroll-Federal Withholding	(68)	33,627	33,627	(68)
Payroll State Withholding	1,186	10,499	11,685	-
Payroll Fica Withholding	(140)	36,782	36,919	(277)
Payroll County Adl Gross	418	3,639	4,057	-
Payroll Medical Ins.	1,508	4,897	5,043	1,362
Payroll Medicare Withholding	123	8,602	8,465	260
Credit Card Account	379	19,033	19,368	44
Payroll Garnishments	-	-	-	-
Payroll Retirement	-	2,470	2,233	237
Payroll Aflac	123	340	373	90
Health Savings Account	-	6,751	6,594	157
Sewage Utility Operating	368,587	791,687	659,851	500,423
Sewage Utility Bond & Interest	152,500	166,800	166,050	153,250
Sewage Utility Depreciation	19,355	-	-	19,355
WWTP Bonds 2009	1,966,925	20,240	1,276,533	710,632
Wastewater Westside Contribution	29,250	83,050	67,795	44,505
Sewage Utility Debt Service Reserve	167,800	-	-	167,800
Solid Waste Pickup	88	30,287	31,837	(1,462)
Water Utility Operating	84,186	406,571	354,007	136,750
Water Utility Bond & Interest	-	27,600	15,497	12,103
Water Utility Meter	15,574	3,450	2,110	16,914
Water Depreciation	45,529	832	-	46,361
Water Westside Contribution	15,750	29,750	43,200	2,300
Redevelopment Commission	1,196,781	1,072,249	666,610	1,602,420
Totals	<u>\$ 4,345,127</u>	<u>\$ 5,060,988</u>	<u>\$ 5,507,664</u>	<u>\$ 3,898,451</u>

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

TOWN OF MORRISTOWN
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 Fund	\$ 49,735	\$ 405,433	\$ 321,065	\$ 134,103
Motor Vehicle Highway	93,781	129,644	102,438	120,987
Local Road And Street	13,499	6,840	6,500	13,839
Economic Dev. Income	45,825	27,993	9,650	64,168
Local Law Enforcement Cont Ed	5,961	2,575	3,718	4,818
Parks And Recreation	15,862	275	1,797	14,340
Rainy Day Fund	28,049	-	-	28,049
Levy Excess	748	-	-	748
TIF Redevelopment Pass	-	682,107	682,107	-
Racino	222,317	190,146	104,930	307,533
Cum Cap Imp - Cig Tax	9,219	3,254	-	12,473
Redevelopment Commission	1,602,420	921,579	1,673,272	850,727
Payroll Net Salary	-	216,561	216,561	-
In Car Computer Donation	200	2,500	2,718	(18)
Fireworks 2003 Donation	99	-	-	99
Payroll-Federal Withholding	(68)	35,647	35,647	(68)
Payroll State Withholding	-	10,052	10,052	-
Payroll Fica Withholding	(277)	29,769	29,905	(413)
Payroll County Adl Gross	-	3,582	3,582	-
Payroll Medical Ins.	1,362	6,162	5,733	1,791
Payroll Medicare Withholding	260	8,301	8,165	396
Credit Card Account	44	19,478	19,328	194
Payroll Retirement	237	4,233	4,470	-
Payroll Aflac	90	341	308	123
Health Savings Account	157	8,545	8,702	-
2009 Bond Payment	-	100,000	100,000	-
Sewage Utility Operating	500,423	1,524,672	1,442,472	582,623
Sewage Utility Bond & Interest	153,250	166,800	165,850	154,200
Sewage Utility Depreciation	19,355	-	-	19,355
WWTP Bonds 2009	710,632	6,715	231,080	486,267
Wastewater Westside Contribution	44,505	76,013	80,852	39,666
Sewage Utility Debt Service Reserve	167,800	-	-	167,800
Solid Waste Pickup	(1,462)	31,272	32,138	(2,328)
Water Utility Operating	136,750	501,320	491,333	146,737
Water Utility Bond & Interest	12,103	27,600	-	39,703
Water Utility Meter	16,914	3,375	2,592	17,697
Water Westside Contribution	2,300	28,985	19,618	11,667
Water Depreciation	46,361	-	-	46,361
Totals	\$ 3,898,451	\$ 5,181,769	\$ 5,816,583	\$ 3,263,637

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

TOWN OF MORRISTOWN
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 MORRISTOWN
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.

Penalties which include fees received for late payments.

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.

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.

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.

TOWN OF MORRISTOWN
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 MORRISTOWN
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. Restatement of Prior Year Data

For the year ended December 31, 2009, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances by fund.

Fund	Balance as Reported December 31, 2009	Restatement	Balance as Restated December 31, 2009
Credit Card Account	\$ 479	\$ (100)	\$ 379
Sewage Utility Operating	368,469	118	368,587

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

	General Fund	Motor Vehicle Highway	Local Road And Street	In Car Computer Donation	Economic Dev. Income	Local Law Enforcement Cont Ed	Parks And Recreation	Fireworks 2003 Donation
Cash and investments - beginning	\$ 147,248	\$ 46,055	\$ 12,952	\$ 200	\$ 33,281	\$ 7,030	\$ 4,635	\$ 99
Receipts:								
Taxes	-	-	-	-	-	-	12,263	-
Licenses and permits	-	-	-	-	-	1,400	-	-
Intergovernmental	224,652	166,996	9,741	-	31,844	-	654	-
Charges for services	6,677	-	-	-	-	55	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	256,920	4,880	-	-	-	6,910	273	-
Total receipts	488,249	171,876	9,741	-	31,844	8,365	13,190	-
Disbursements:								
Personal services	149,647	48,727	-	-	-	-	-	-
Supplies	7,937	17,084	-	-	-	74	50	-
Other services and charges	408,878	44,169	-	-	-	1,175	1,913	-
Debt service - principal and interest	19,300	13,196	-	-	-	-	-	-
Capital outlay	-	974	9,194	-	19,300	-	-	-
Other disbursements	-	-	-	-	-	8,185	-	-
Total disbursements	585,762	124,150	9,194	-	19,300	9,434	1,963	-
Excess (deficiency) of receipts over disbursements	(97,513)	47,726	547	-	12,544	(1,069)	11,227	-
Cash and investments - ending	\$ 49,735	\$ 93,781	\$ 13,499	\$ 200	\$ 45,825	\$ 5,961	\$ 15,862	\$ 99

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

	Rainy Day Fund	Levy Excess	TIF Redevelopment Pass	Racino	Cum Cap Imp Cig Tax	Payroll Net Salary	Payroll-Federal Withholding	Payroll State Withholding
Cash and investments - beginning	\$ 18,396	\$ -	\$ -	\$ -	\$ 9,377	\$ -	\$ (68)	\$ 1,186
Receipts:								
Taxes	-	748	1,071,450	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	9,653	-	-	-	3,317	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	269,396	-	224,003	33,627	10,499
Total receipts	9,653	748	1,071,450	269,396	3,317	224,003	33,627	10,499
Disbursements:								
Personal services	-	-	-	7,361	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	1,071,450	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	37,718	3,475	-	-	-
Other disbursements	-	-	-	2,000	-	224,003	33,627	11,685
Total disbursements	-	-	1,071,450	47,079	3,475	224,003	33,627	11,685
Excess (deficiency) of receipts over disbursements	9,653	748	-	222,317	(158)	-	-	(1,186)
Cash and investments - ending	\$ 28,049	\$ 748	\$ -	\$ 222,317	\$ 9,219	\$ -	\$ (68)	\$ -

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

	Payroll Fica Withholding	Payroll County Adl Gross	Payroll Medical Ins.	Payroll Medicare Withholding	Credit Card Account	Payroll Garnishments	Payroll Retirement	Payroll Aflac
Cash and investments - beginning	\$ (140)	\$ 418	\$ 1,508	\$ 123	\$ 379	\$ -	\$ -	\$ 123
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	36,782	3,639	4,897	8,602	19,033	-	2,470	340
Total receipts	36,782	3,639	4,897	8,602	19,033	-	2,470	340
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	36,919	4,057	5,043	8,465	19,368	-	2,233	373
Total disbursements	36,919	4,057	5,043	8,465	19,368	-	2,233	373
Excess (deficiency) of receipts over disbursements	(137)	(418)	(146)	137	(335)	-	237	(33)
Cash and investments - ending	\$ (277)	\$ -	\$ 1,362	\$ 260	\$ 44	\$ -	\$ 237	\$ 90

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

	Health Savings Account	Sewage Utility Operating	Sewage Utility Bond & Interest	Sewage Utility Depreciation	WWTP Bonds 2009	Wastewater Westside Contribution	Sewage Utility Debt Service Reserve	Solid Waste Pickup
Cash and investments - beginning	\$ -	\$ 368,587	\$ 152,500	\$ 19,355	\$ 1,966,925	\$ 29,250	\$ 167,800	\$ 88
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Utility fees	-	723,536	-	-	-	-	-	29,745
Penalties	-	7,487	-	-	-	-	-	-
Other receipts	6,751	60,664	166,800	-	20,240	83,050	-	542
Total receipts	<u>6,751</u>	<u>791,687</u>	<u>166,800</u>	<u>-</u>	<u>20,240</u>	<u>83,050</u>	<u>-</u>	<u>30,287</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	6,594	659,851	166,050	-	1,276,533	67,795	-	31,837
Total disbursements	<u>6,594</u>	<u>659,851</u>	<u>166,050</u>	<u>-</u>	<u>1,276,533</u>	<u>67,795</u>	<u>-</u>	<u>31,837</u>
Excess (deficiency) of receipts over disbursements	<u>157</u>	<u>131,836</u>	<u>750</u>	<u>-</u>	<u>(1,256,293)</u>	<u>15,255</u>	<u>-</u>	<u>(1,550)</u>
Cash and investments - ending	<u>\$ 157</u>	<u>\$ 500,423</u>	<u>\$ 153,250</u>	<u>\$ 19,355</u>	<u>\$ 710,632</u>	<u>\$ 44,505</u>	<u>\$ 167,800</u>	<u>\$ (1,462)</u>

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

	Water Utility Operating	Water Utility Bond & Interest	Water Utility Meter	Water Depreciation	Water Westside Contribution	Redevelopment Commission	Totals
Cash and investments - beginning	\$ 84,186	\$ -	\$ 15,574	\$ 45,529	\$ 15,750	\$ 1,196,781	\$ 4,345,127
Receipts:							
Taxes	-	-	-	-	-	-	1,084,461
Licenses and permits	-	-	-	-	-	-	1,400
Intergovernmental	-	-	-	-	-	-	446,857
Charges for services	-	-	-	-	-	-	6,732
Utility fees	383,830	-	-	-	-	-	1,137,111
Penalties	3,191	-	-	-	-	-	10,678
Other receipts	19,550	27,600	3,450	832	29,750	1,072,249	2,373,749
Total receipts	<u>406,571</u>	<u>27,600</u>	<u>3,450</u>	<u>832</u>	<u>29,750</u>	<u>1,072,249</u>	<u>5,060,988</u>
Disbursements:							
Personal services	-	-	-	-	-	-	205,735
Supplies	-	-	-	-	-	-	25,145
Other services and charges	-	-	-	-	-	-	1,527,585
Debt service - principal and interest	-	-	-	-	-	-	32,496
Capital outlay	-	-	-	-	-	-	70,661
Other disbursements	354,007	15,497	2,110	-	43,200	666,610	3,646,042
Total disbursements	<u>354,007</u>	<u>15,497</u>	<u>2,110</u>	<u>-</u>	<u>43,200</u>	<u>666,610</u>	<u>5,507,664</u>
Excess (deficiency) of receipts over disbursements	<u>52,564</u>	<u>12,103</u>	<u>1,340</u>	<u>832</u>	<u>(13,450)</u>	<u>405,639</u>	<u>(446,676)</u>
Cash and investments - ending	<u>\$ 136,750</u>	<u>\$ 12,103</u>	<u>\$ 16,914</u>	<u>\$ 46,361</u>	<u>\$ 2,300</u>	<u>\$ 1,602,420</u>	<u>\$ 3,898,451</u>

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

	General Fund	Motor Vehicle Highway	Local Road And Street	Economic Dev. Income	Local Law Enforcement Cont Ed	Parks And Recreation	Rainy Day Fund	Levy Excess
Cash and investments - beginning	\$ 49,735	\$ 93,781	\$ 13,499	\$ 45,825	\$ 5,961	\$ 15,862	\$ 28,049	\$ 748
Receipts:								
Taxes	251,322	72,722	-	-	-	-	-	-
Licenses and permits	3,046	-	-	-	520	-	-	-
Intergovernmental	105,926	53,348	6,840	27,993	-	-	-	-
Charges for services	1,590	-	-	-	55	275	-	-
Fines and forfeits	3,935	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	39,614	3,574	-	-	2,000	-	-	-
Total receipts	<u>405,433</u>	<u>129,644</u>	<u>6,840</u>	<u>27,993</u>	<u>2,575</u>	<u>275</u>	<u>-</u>	<u>-</u>
Disbursements:								
Personal services	131,854	51,716	-	-	-	-	-	-
Supplies	5,880	14,921	-	-	3,171	13	-	-
Other services and charges	157,996	29,635	6,500	-	547	1,784	-	-
Debt service - principal and interest	171	3,900	-	9,650	-	-	-	-
Capital outlay	1,164	2,266	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	24,000	-	-	-	-	-	-	-
Total disbursements	<u>321,065</u>	<u>102,438</u>	<u>6,500</u>	<u>9,650</u>	<u>3,718</u>	<u>1,797</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>84,368</u>	<u>27,206</u>	<u>340</u>	<u>18,343</u>	<u>(1,143)</u>	<u>(1,522)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 134,103</u>	<u>\$ 120,987</u>	<u>\$ 13,839</u>	<u>\$ 64,168</u>	<u>\$ 4,818</u>	<u>\$ 14,340</u>	<u>\$ 28,049</u>	<u>\$ 748</u>

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

	Tif Redevelopment Pass	Racino	Cum Cap Imp - Cig Tax	Redevelopment Commission	Payroll Net Salary	In Car Computer Donation	Fireworks 2003 Donation	Payroll-Federal Withholding
Cash and investments - beginning	\$ -	\$ 222,317	\$ 9,219	\$ 1,602,420	\$ -	\$ 200	\$ 99	\$ (68)
Receipts:								
Taxes	682,107	-	-	921,579	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	190,146	3,254	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	216,561	2,500	-	35,647
Total receipts	<u>682,107</u>	<u>190,146</u>	<u>3,254</u>	<u>921,579</u>	<u>216,561</u>	<u>2,500</u>	<u>-</u>	<u>35,647</u>
Disbursements:								
Personal services	-	2,892	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	24,700	-	339,228	-	-	-	-
Debt service - principal and interest	-	29,468	-	402,138	-	-	-	-
Capital outlay	-	44,489	-	20,000	-	2,718	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	<u>682,107</u>	<u>3,381</u>	<u>-</u>	<u>911,906</u>	<u>216,561</u>	<u>-</u>	<u>-</u>	<u>35,647</u>
Total disbursements	<u>682,107</u>	<u>104,930</u>	<u>-</u>	<u>1,673,272</u>	<u>216,561</u>	<u>2,718</u>	<u>-</u>	<u>35,647</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>85,216</u>	<u>3,254</u>	<u>(751,693)</u>	<u>-</u>	<u>(218)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 307,533</u>	<u>\$ 12,473</u>	<u>\$ 850,727</u>	<u>\$ -</u>	<u>\$ (18)</u>	<u>\$ 99</u>	<u>\$ (68)</u>

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

	Payroll State Withholding	Payroll Fica Withholding	Payroll County Adl Gross	Payroll Medical Ins.	Payroll Medicare Withholding	Credit Card Account	Payroll Retirement	Payroll Aflac
Cash and investments - beginning	\$ -	\$ (277)	\$ -	\$ 1,362	\$ 260	\$ 44	\$ 237	\$ 90
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	10,052	29,769	3,582	6,162	8,301	19,478	4,233	341
Total receipts	10,052	29,769	3,582	6,162	8,301	19,478	4,233	341
Disbursements:								
Personal services	-	-	-	5,733	-	-	4,470	308
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	10,052	29,905	3,582	-	8,165	19,328	-	-
Total disbursements	10,052	29,905	3,582	5,733	8,165	19,328	4,470	308
Excess (deficiency) of receipts over disbursements	-	(136)	-	429	136	150	(237)	33
Cash and investments - ending	\$ -	\$ (413)	\$ -	\$ 1,791	\$ 396	\$ 194	\$ -	\$ 123

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

	Health Savings Account	2009 Bond Payment	Sewage Utility Operating	Sewage Utility Bond & Interest	Sewage Utility Depreciation	WWTP Bonds 2009	Wastewater Westside Contribution	Sewage Utility Debt Service Reserve
Cash and investments - beginning	\$ 157	\$ -	\$ 500,423	\$ 153,250	\$ 19,355	\$ 710,632	\$ 44,505	\$ 167,800
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	760,403	-	-	-	-	-
Penalties	-	-	9,053	-	-	-	-	-
Other receipts	8,545	100,000	755,216	166,800	-	6,715	76,013	-
Total receipts	8,545	100,000	1,524,672	166,800	-	6,715	76,013	-
Disbursements:								
Personal services	8,702	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	13,850	165,850	-	-	80,852	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	775,822	-	-	231,080	-	-
Other disbursements	-	100,000	652,800	-	-	-	-	-
Total disbursements	8,702	100,000	1,442,472	165,850	-	231,080	80,852	-
Excess (deficiency) of receipts over disbursements	(157)	-	82,200	950	-	(224,365)	(4,839)	-
Cash and investments - ending	\$ -	\$ -	\$ 582,623	\$ 154,200	\$ 19,355	\$ 486,267	\$ 39,666	\$ 167,800

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

	Solid Waste Pickup	Water Utility Operating	Water Utility Bond & Interest	Water Utility Meter	Water Westside Contribution	Water Depreciation	Totals
Cash and investments - beginning	\$ (1,462)	\$ 136,750	\$ 12,103	\$ 16,914	\$ 2,300	\$ 46,361	\$ 3,898,451
Receipts:							
Taxes	-	-	-	-	-	-	1,927,730
Licenses and permits	-	-	-	-	-	-	3,566
Intergovernmental	-	-	-	-	-	-	387,507
Charges for services	-	-	-	-	-	-	1,920
Fines and forfeits	-	-	-	-	-	-	3,935
Utility fees	30,606	314,353	-	-	-	-	1,105,362
Penalties	666	3,624	-	-	-	-	13,343
Other receipts	-	183,343	27,600	3,375	28,985	-	1,738,406
Total receipts	31,272	501,320	27,600	3,375	28,985	-	5,181,769
Disbursements:							
Personal services	-	-	-	-	-	-	205,675
Supplies	-	-	-	-	-	-	23,985
Other services and charges	-	-	-	-	-	-	560,390
Debt service - principal and interest	-	53,687	-	-	19,618	-	779,184
Capital outlay	-	-	-	-	-	-	70,637
Utility operating expenses	32,138	234,896	-	-	-	-	1,273,936
Other disbursements	-	202,750	-	2,592	-	-	2,902,776
Total disbursements	32,138	491,333	-	2,592	19,618	-	5,816,583
Excess (deficiency) of receipts over disbursements	(866)	9,987	27,600	783	9,367	-	(634,814)
Cash and investments - ending	<u>\$ (2,328)</u>	<u>\$ 146,737</u>	<u>\$ 39,703</u>	<u>\$ 17,697</u>	<u>\$ 11,667</u>	<u>\$ 46,361</u>	<u>\$ 3,263,637</u>

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ -
Wastewater	-	9,284
Water	-	4,897
Totals	<u>\$ -</u>	<u>\$ 14,181</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Old National Bank	Municipal Building	\$ 9,650	09-01-06	03-01-16
PNC Equipment Finance	Freightliner E1 Pumper Fire Truck	<u>25,468</u>	12-10-08	09-15-20
Total governmental activities		<u>35,118</u>		
Wastewater:				
Old National Bank	Municipal Building	4,825	09-01-06	03-01-16
Old National Bank	West Side Serer Line Extension	<u>77,100</u>	09-01-06	03-01-16
Total Wastewater		<u>81,925</u>		
Water:				
Old National Bank	Municipal Building	4,825	09-01-06	03-01-16
Old National Bank	West Side Water Line Extension	41,510	09-01-06	03-01-16
Old National Bank	West Side Water Line Extension	<u>13,390</u>	03-01-07	03-01-16
Total Water		<u>59,725</u>		
Total of annual lease payments		<u>\$ 176,768</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue bonds	1996 New Wastewater Plant	\$ 2,351,000	\$ 167,550
Revenue bonds	2009 Wastewater Plant Expansion	<u>4,925,000</u>	<u>414,250</u>
Total Wastewater		<u>7,276,000</u>	<u>581,800</u>
Water:			
Revenue bonds	2003 New Water Plant	<u>10,000</u>	<u>10,224</u>
Totals		<u>\$ 7,286,000</u>	<u>\$ 592,024</u>

TOWN OF MORRISTOWN
 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 4,500
Buildings	276,322
Improvements other than buildings	7,274
Machinery, equipment and vehicles	<u>495,912</u>
Total governmental activities	<u>784,008</u>
Wastewater:	
Land	92,660
Infrastructure	3,657,587
Buildings	107,435
Improvements other than buildings	327,922
Machinery, equipment and vehicles	<u>954,570</u>
Total Wastewater	<u>5,140,174</u>
Water:	
Land	103,629
Infrastructure	1,165,023
Buildings	773,920
Improvements other than buildings	181,159
Machinery, equipment and vehicles	<u>499,297</u>
Total Water	<u>2,723,028</u>
Total capital assets	<u><u>\$ 8,647,210</u></u>

TOWN OF MORRISTOWN
EXAMINATION RESULTS AND COMMENTS

FUND SOURCES AND USES

A distribution from the Auditor of State's office for \$2,661.03 for Motor Vehicle Highway was incorrectly recorded in the Local Road and Street Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ALLOCATION OF CAPITAL LEASE PAYMENTS

As similarly reported in the prior Report B37953, the Town has capital assets that are allocated between the Town, Water Utility, and Wastewater Utility. On November 28, 2007, the Town Council approved Resolution 06-2007 which states the allocation of the purchase cost and the related lease payments for these various assets. The capital lease payments were not properly allocated during this period of examination. For the two year period examined, the net discrepancies were as follows:

Fund	Amount (Overpaid)/ Underpaid
Water Utility Operating	\$ 7,550
Wastewater Utility Operating	<u>(7,550)</u>
Total	<u>\$ -</u>

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)

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility. Expenditures for city and town operating costs should not be paid from utility funds. The cost of shared equipment between a city or town and its utilities or between utilities should be prorated in a rational manner. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

RETENTION OF RECORDS

The following records were not presented for examination:

Utility Billing Reports for 2010 and 2011

The governing board is charged with the duty to preserve, keep, maintain, or file all the official records of the political subdivision pursuant to IC 5-15-1-1. The final decision as to the destruction or disposition of such records rests with the local public records commission. A local public records commission is established in each county pursuant to IC 5-15-6-1. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MORRISTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the fund ledger. The detailed customer deposit register had a balance of \$20,431.10 while the balance of the Water Meter Deposit Fund had a balance of \$17,696.51 at December 31, 2011.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

EMPLOYEE COMPENSATION

During the year 2011, the salaries of four employees were not allocated to the funds as stipulated in the 2011 salary ordinance.

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Local Road and Street	2010	\$ 2,207
General	2011	18,126

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."

RECORD INFORMATION

Some investments are not included in the Fund Ledger and are not included in the monthly bank reconcilements.

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)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MORRISTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

SUPPORTING DOCUMENTATION

During our review of disbursements, two payments were observed which were not supported by adequate documentation. The disbursements without proper documentation were as follows: Wessler Engineering for \$9,651.52 - memo stated permits, resident project, O & M manuals, construction admin and pond closing; and Robin Ebert for \$40 - memo stated return rental.

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

**NONCOMPLIANCE WITH RETENTION AGREEMENT RESOLUTION
(Applies to Morristown Redevelopment Commission)**

The Morristown Redevelopment Commission retention agreement, dated March 17, 2003, provided for the distribution of excess Tax Increment Financing (TIF) monies from the TIF Bond Trustee to the Morristown Redevelopment Commission Funds. The Morristown Redevelopment Commission maintains three funds, the Expense (Administrative) Fund, the Project Fund, and the Acquisition Fund. The retention agreement provides the Expense Fund receive the first \$25,000 of each distribution. The remaining distribution is then prorated between the Project Fund and the Acquisition Fund, 60 percent and 40 percent, respectively. A distribution was received on January 4, 2011, in the amount of \$346,318.98. The Expense Fund received \$15,000. The Project Fund received \$198,791.39 (approximately 60 percent) and the Acquisition Fund received \$132,527.59 (approximately 40 percent) of the remaining distribution of \$331,318.98. Distributions were received on July 15, 2011, and December 29, 2011, in the amount of \$341,053.61 each. For each of these two distributions, the Expense Fund received \$7,500. The Project Fund received \$200,132.17 (approximately 60 percent) and the Acquisition Fund received \$133,421.44 (approximately 40 percent) of the remaining distributions of \$333,553.61. These three distributions were not in compliance with the retention agreement.

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)

OVERDRAWN FUND BALANCES

The records presented for examination indicated the following funds with overdrawn fund balances:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
In Car Computer Donations	2011	\$ 18
Payroll - Federal Withholding	2010	68
Payroll - Federal Withholding	2011	68
Payroll - FICA Withholding	2010	277
Payroll - FICA Withholding	2011	413
Solid Waste Pickup	2010	1,462
Solid Waste & Pickup	2011	2,328

TOWN OF MORRISTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTEREST ON INVESTMENTS

Interest earned on some investments was automatically added to the principal and not recorded in the records in some instances.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The capital asset records of the Town and Utilities were not updated for additions and disposals for the period January 1, 2008 to December 31, 2011.

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 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 MORRISTOWN
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2012, with Donald L. Roberts, Clerk-Treasurer; Thomas W. Reber, prior Clerk-Treasurer; and Audra Caldwell, President of the Redevelopment Commission. The officials concurred with our findings.