

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF MOORELAND

HENRY COUNTY, INDIANA

January 1, 2010 to December 31, 2012



**FILED**  
11/21/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Madison (Vacant) Georgette May	01-01-10 to 02-20-12 02-21-12 to 03-18-12 03-19-12 to 12-31-15
President of the Town Council	Don Davis	01-01-10 to 12-31-13
Superintendent of Wastewater Utility	Jerry Sherwood	01-01-10 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We were engaged to examine the accompanying financial statements of the Town of Mooreland (Town), for the period of January 1, 2010 to December 31, 2012. The financial statements are the responsibility of the Town's management.

Accounting records presented for examination were incomplete and not reflective of the financial activity of the Town of Mooreland and the Mooreland Wastewater Utility. The records presented did not provide sufficient information to examine or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Clerk-Treasurer Depository Statement and Cash Reconciliation, Simplified Cash Journal and a complete Ledger of Receipts, Disbursements, and Balances were not presented for examination for 2010 or 2011. No Wastewater Utility Simplified Cash Journals were kept for 2010 or 2011. The detailed records of Wastewater Utility customer accounts were not adequately kept during the examination period. Some payments, payment dates, and account balances for customer accounts were not recorded. No ledgers were presented for examination for the Trash Collection Fund. In addition, receipts, various invoices, bank statements, and supporting documentation for 2010 and 2011 for both the Town and its Utility were not retained and available for examination. The Town or its Utility'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.

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 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

October 9, 2013

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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 MOORELAND  
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	\$ (26,021)	\$ 46,383	\$ 56,883	\$ (36,521)
Motor Vehicle Highway	24,592	14,799	5,158	34,233
Local Road And Street	11,890	2,034	-	13,924
Operation Pullover	750	625	-	1,375
Riverboat	5,675	2,459	-	8,134
Park	391	200	-	591
Law Enforcement Continuing Education	903	643	-	1,546
Sidewalk Grant	124	-	124	-
Cd Interest	72	-	72	-
Trash Collection	7,963	7,158	4,000	11,121
Rainy Day	1,164	-	-	1,164
Cumulative Capital Improvement	3,863	1,151	-	5,014
Cumulative Capital Development	14,568	807	-	15,375
Levy Excess	-	74	-	74
Roof Repair	-	531	-	531
Wastewater Utility Operating	50,980	68,899	74,558	45,321
Wastewater Utility Bond And Interest	39,517	11,580	12,350	38,747
Wastewater Utility Depreciation	16,767	784	-	17,551
Wastewater Utility Construction	57,606	4,015	-	61,621
Totals	<u>\$ 210,804</u>	<u>\$ 162,142</u>	<u>\$ 153,145</u>	<u>\$ 219,801</u>

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

TOWN OF MOORELAND  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ (36,521)	\$ 110,735	\$ 59,451	\$ 14,763	\$ 56,579	\$ 52,444	\$ 18,898
Local Road and Streets	13,924	1,971	14,892	1,003	1,968	80	2,891
Operation Pullover	1,375	-	625	750	-	-	750
Law Enforcement Continuing Education	1,546	210	80	1,676	1,340	921	2,095
Park	591	200	-	791	906	906	791
Rainy Day	1,164	-	-	1,164	-	-	1,164
Levy Excess	74	-	-	74	-	-	74
Cumulative Capital Improvement	5,014	1,128	-	6,142	995	2,858	4,279
Cumulative Capital Development	15,375	794	-	16,169	645	13,093	3,721
Roof Repair	531	1,050	15	1,566	-	1,566	-
Riverboat	8,134	2,460	5,000	5,594	2,222	3,631	4,185
Trash Collection	11,121	8,055	8,000	11,176	7,363	2,000	16,539
Motor Vehicle Highway	34,233	14,773	47,196	1,810	14,266	8,573	7,503
Wastewater Utility Operating	45,321	79,866	91,769	33,418	116,031	119,082	30,367
Wastewater Utility Depreciation	17,551	920	6,000	12,471	563	12,000	1,034
Wastewater Utility Bond and Interest	38,747	13,676	11,950	40,473	10,521	36,750	14,244
Wastewater Utility Construction	61,621	3,643	-	65,264	5,953	-	71,217
<b>Totals</b>	<u>\$ 219,801</u>	<u>\$ 239,481</u>	<u>\$ 244,978</u>	<u>\$ 214,304</u>	<u>\$ 219,352</u>	<u>\$ 253,904</u>	<u>\$ 179,752</u>

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

TOWN OF MOORELAND  
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), highways and streets, culture and recreation, public improvements, general administrative services, wastewater, and trash.

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, 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 MOORELAND  
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: copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, park rental fees, cable tv receipts, ordinance violations, and fines and fees.

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 MOORELAND  
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.

TOWN OF MOORELAND  
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.

**Note 6. *Cash Balance Deficits***

The financial statements contain some funds with deficits in cash. This is a result of the Town spending more money than received in those funds.

**Note 7. *Temporary Loans from Proprietary to Governmental Funds***

As of December 31, 2012, the General, Motor Vehicle Highway, and Local Road and Street Funds had yet to repay a temporary loan of \$20,000 to the Wastewater Utility Operating Fund. The loan was advanced in July of 2008 from the Wastewater Utility for the purposes of financing a street paving project.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's Annual Report information for years 2011 and later 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 MOORELAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Operation Pullover	Riverboat	Park	Law Enforcement Continuing Education
Cash and investments - beginning	\$ (26,021)	\$ 24,592	\$ 11,890	\$ 750	\$ 5,675	\$ 391	\$ 903
Receipts:							
Taxes	23,919	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	643
Intergovernmental	14,491	14,799	2,034	625	2,459	-	-
Utility Fees	-	-	-	-	-	-	-
Other receipts	7,973	-	-	-	-	200	-
Total receipts	<u>46,383</u>	<u>14,799</u>	<u>2,034</u>	<u>625</u>	<u>2,459</u>	<u>200</u>	<u>643</u>
Disbursements:							
Personal services	8,272	1,506	-	-	-	-	-
Supplies	7,018	-	-	-	-	-	-
Other services and charges	38,183	3,652	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,130	-	-	-	-	-	-
Utility Operating Expenses	-	-	-	-	-	-	-
Other disbursements	1,280	-	-	-	-	-	-
Total disbursements	<u>56,883</u>	<u>5,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(10,500)</u>	<u>9,641</u>	<u>2,034</u>	<u>625</u>	<u>2,459</u>	<u>200</u>	<u>643</u>
Cash and investments - ending	<u>\$ (36,521)</u>	<u>\$ 34,233</u>	<u>\$ 13,924</u>	<u>\$ 1,375</u>	<u>\$ 8,134</u>	<u>\$ 591</u>	<u>\$ 1,546</u>

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

	Sidewalk Grant	Cd Interest	Trash Collection	Rainy Day	Cumulative Capital Improvement	Cumulative Capital Development	Levy Excess
Cash and investments - beginning	\$ 124	\$ 72	\$ 7,963	\$ 1,164	\$ 3,863	\$ 14,568	\$ -
Receipts:							
Taxes	-	-	-	-	-	691	74
Fines and Forfeitures	-	-	7,158	-	1,151	116	-
Intergovernmental	-	-	-	-	-	-	-
Utility Fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	7,158	-	1,151	807	74
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	4,000	-	-	-	-
Debt service - principal and interest	124	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility Operating Expenses	-	-	-	-	-	-	-
Other disbursements	-	72	-	-	-	-	-
Total disbursements	124	72	4,000	-	-	-	-
Excess (deficiency) of receipts over disbursements	(124)	(72)	3,158	-	1,151	807	74
Cash and investments - ending	\$ -	\$ -	\$ 11,121	\$ 1,164	\$ 5,014	\$ 15,375	\$ 74

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

	Roof Repair	Wastewater Utility Operating	Wastewater Utility Bond And Interest	Wastewater Utility Depreciation	Wastewater Utility Construction	Totals
Cash and investments - beginning	\$ -	\$ 50,980	\$ 39,517	\$ 16,767	\$ 57,606	\$ 210,804
Receipts:						
Taxes	-	-	-	-	-	24,684
Fines and Forfeitures	-	-	-	-	-	9,068
Intergovernmental	-	-	-	-	-	34,408
Utility Fees	-	68,889	-	-	-	68,889
Other receipts	531	10	11,580	784	4,015	25,093
Total receipts	531	68,899	11,580	784	4,015	162,142
Disbursements:						
Personal services	-	-	-	-	-	9,778
Supplies	-	-	-	-	-	7,018
Other services and charges	-	-	-	-	-	45,835
Debt service - principal and interest	-	-	12,350	-	-	12,474
Capital outlay	-	-	-	-	-	2,130
Utility Operating Expenses	-	58,278	-	-	-	58,278
Other disbursements	-	16,280	-	-	-	17,632
Total disbursements	-	74,558	12,350	-	-	153,145
Excess (deficiency) of receipts over disbursements	531	(5,659)	(770)	784	4,015	8,997
Cash and investments - ending	\$ 531	\$ 45,321	\$ 38,747	\$ 17,551	\$ 61,621	\$ 219,801

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

	General	Local Road and Streets	Operation Pullover	Law Enforcement Continuing Education	Park	Rainy Day
Cash and investments - beginning	\$ (36,521)	\$ 13,924	\$ 1,375	\$ 1,546	\$ 591	\$ 1,164
Receipts:						
Taxes	26,337	-	-	-	-	-
Licenses and permits	-	-	-	210	-	-
Intergovernmental	11,762	1,971	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	72,636	-	-	-	200	-
Total receipts	<u>110,735</u>	<u>1,971</u>	<u>-</u>	<u>210</u>	<u>200</u>	<u>-</u>
Disbursements:						
Personal services	11,662	-	625	-	-	-
Supplies	15,117	-	-	-	-	-
Other services and charges	30,252	501	-	80	-	-
Capital outlay	2,419	1,391	-	-	-	-
Debt service principal and interest	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1	13,000	-	-	-	-
Total disbursements	<u>59,451</u>	<u>14,892</u>	<u>625</u>	<u>80</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>51,284</u>	<u>(12,921)</u>	<u>(625)</u>	<u>130</u>	<u>200</u>	<u>-</u>
Cash and investments - ending	<u>\$ 14,763</u>	<u>\$ 1,003</u>	<u>\$ 750</u>	<u>\$ 1,676</u>	<u>\$ 791</u>	<u>\$ 1,164</u>

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

	Levy Excess	Cumulative Capital Improvement	Cumulative Capital Development	Roof Repair	Riverboat	Trash Collection
Cash and investments - beginning	\$ 74	\$ 5,014	\$ 15,375	\$ 531	\$ 8,134	\$ 11,121
Receipts:						
Taxes	-	-	794	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,128	-	-	-	-
Charges for services	-	-	-	-	-	8,055
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	1,050	2,460	-
Total receipts	-	1,128	794	1,050	2,460	8,055
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service principal and interest	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	15	5,000	8,000
Total disbursements	-	-	-	15	5,000	8,000
Excess (deficiency) of receipts over disbursements	-	1,128	794	1,035	(2,540)	55
Cash and investments - ending	\$ 74	\$ 6,142	\$ 16,169	\$ 1,566	\$ 5,594	\$ 11,176

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

	Motor Vehicle Highway	Wastewater Utility Operating	Wastewater Utility Depreciation	Wastewater Utility Bond and Interest	Wastewater Utility Construction	Totals
Cash and investments - beginning	\$ 34,233	\$ 45,321	\$ 17,551	\$ 38,747	\$ 61,621	\$ 219,801
Receipts:						
Taxes	4,385	-	-	-	-	31,516
Licenses and permits	-	-	-	-	-	210
Intergovernmental	10,388	-	-	-	-	25,249
Charges for services	-	-	-	-	-	8,055
Utility fees	-	73,849	-	-	48	73,897
Other receipts	-	6,017	920	13,676	3,595	100,554
Total receipts	<u>14,773</u>	<u>79,866</u>	<u>920</u>	<u>13,676</u>	<u>3,643</u>	<u>239,481</u>
Disbursements:						
Personal services	1,383	-	-	-	-	13,670
Supplies	-	-	-	-	-	15,117
Other services and charges	3,813	-	-	-	-	34,646
Capital outlay	-	-	-	-	-	3,810
Debt service principal and interest	-	-	-	11,950	-	11,950
Utility operating expenses	-	73,454	-	-	-	73,454
Other disbursements	42,000	18,315	6,000	-	-	92,331
Total disbursements	<u>47,196</u>	<u>91,769</u>	<u>6,000</u>	<u>11,950</u>	<u>-</u>	<u>244,978</u>
Excess (deficiency) of receipts over disbursements	<u>(32,423)</u>	<u>(11,903)</u>	<u>(5,080)</u>	<u>1,726</u>	<u>3,643</u>	<u>(5,497)</u>
Cash and investments - ending	<u>\$ 1,810</u>	<u>\$ 33,418</u>	<u>\$ 12,471</u>	<u>\$ 40,473</u>	<u>\$ 65,264</u>	<u>\$ 214,304</u>

TOWN OF MOORELAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Local Road and Streets	Operation Pullover	Law Enforcement Continuing Education	Park	Rainy Day
Cash and investments - beginning	\$ 14,763	\$ 1,003	\$ 750	\$ 1,676	\$ 791	\$ 1,164
Receipts:						
Taxes	27,242	-	-	-	-	-
Licenses and permits	974	-	-	350	-	-
Intergovernmental	10,661	1,968	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	60	-	-
Utility fees	-	-	-	-	-	-
Other receipts	17,702	-	-	930	906	-
Total receipts	<u>56,579</u>	<u>1,968</u>	<u>-</u>	<u>1,340</u>	<u>906</u>	<u>-</u>
Disbursements:						
Personal services	7,767	-	-	-	-	-
Supplies	453	80	-	841	-	-
Other services and charges	39,236	-	-	80	-	-
Debt service - principal and interest	300	-	-	-	-	-
Capital outlay	3,173	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,515	-	-	-	906	-
Total disbursements	<u>52,444</u>	<u>80</u>	<u>-</u>	<u>921</u>	<u>906</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,135</u>	<u>1,888</u>	<u>-</u>	<u>419</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 18,898</u>	<u>\$ 2,891</u>	<u>\$ 750</u>	<u>\$ 2,095</u>	<u>\$ 791</u>	<u>\$ 1,164</u>

TOWN OF MOORELAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Levy Excess	Cumulative Capital Improvement	Cumulative Capital Development	Roof Repair	Riverboat	Trash Collection
Cash and investments - beginning	\$ 74	\$ 6,142	\$ 16,169	\$ 1,566	\$ 5,594	\$ 11,176
Receipts:						
Taxes	-	995	645	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,222	-
Charges for services	-	-	-	-	-	7,363
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>995</u>	<u>645</u>	<u>-</u>	<u>2,222</u>	<u>7,363</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	45	-	-	-	-
Other services and charges	-	2,813	100	-	-	-
Debt service - principal and interest	-	-	-	15	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	12,993	1,551	3,631	2,000
Total disbursements	<u>-</u>	<u>2,858</u>	<u>13,093</u>	<u>1,566</u>	<u>3,631</u>	<u>2,000</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,863)</u>	<u>(12,448)</u>	<u>(1,566)</u>	<u>(1,409)</u>	<u>5,363</u>
Cash and investments - ending	<u>\$ 74</u>	<u>\$ 4,279</u>	<u>\$ 3,721</u>	<u>\$ -</u>	<u>\$ 4,185</u>	<u>\$ 16,539</u>

TOWN OF MOORELAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Motor Vehicle Highway	Wastewater Utility Operating	Wastewater Utility Depreciation	Wastewater Utility Bond and Interest	Wastewater Utility Construction	Totals
Cash and investments - beginning	\$ 1,810	\$ 33,418	\$ 12,471	\$ 40,473	\$ 65,264	\$ 214,304
Receipts:						
Taxes	-	-	-	-	-	28,882
Licenses and permits	-	-	-	-	-	1,324
Intergovernmental	14,266	-	-	-	-	29,117
Charges for services	-	-	-	-	-	7,363
Fines and forfeits	-	-	-	-	-	60
Utility fees	-	66,359	560	10,500	5,910	83,329
Other receipts	-	49,672	3	21	43	69,277
Total receipts	<u>14,266</u>	<u>116,031</u>	<u>563</u>	<u>10,521</u>	<u>5,953</u>	<u>219,352</u>
Disbursements:						
Personal services	1,275	-	-	-	-	9,042
Supplies	-	-	-	-	-	1,419
Other services and charges	7,298	-	-	-	-	49,527
Debt service - principal and interest	-	-	-	-	-	315
Capital outlay	-	12,736	-	-	-	15,909
Utility operating expenses	-	50,462	-	-	-	50,462
Other disbursements	-	55,884	12,000	36,750	-	127,230
Total disbursements	<u>8,573</u>	<u>119,082</u>	<u>12,000</u>	<u>36,750</u>	<u>-</u>	<u>253,904</u>
Excess (deficiency) of receipts over disbursements	<u>5,693</u>	<u>(3,051)</u>	<u>(11,437)</u>	<u>(26,229)</u>	<u>5,953</u>	<u>(34,552)</u>
Cash and investments - ending	<u>\$ 7,503</u>	<u>\$ 30,367</u>	<u>\$ 1,034</u>	<u>\$ 14,244</u>	<u>\$ 71,217</u>	<u>\$ 179,752</u>

TOWN OF MOORELAND  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Mooreland Waste Water Treatment Utility: General obligation bonds	Wastewater Construction	\$ 43,000	\$ -
Totals		<u>\$ 43,000</u>	<u>\$ -</u>

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TOWN OF MOORELAND  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

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	\$ 50,300
Buildings	90,300
Machinery, equipment, and vehicles	7,770
Books and other	250
Total governmental activities	148,620
Mooreland Waste Water Treatment Utility:	
Land	134,000
Total capital assets	\$ 282,620

TOWN OF MOORELAND  
EXAMINATION RESULTS AND COMMENTS

**FEES**

The Town did not provide a rate ordinance for the trash collection process during the examination period. Also, rates charged for some wastewater accounts did not agree to the approved ordinance. Late fees were also collected on some accounts without an approved ordinance.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**CONDITION OF RECORDS**

Financial records presented for examination were incomplete and not reflective of the activity of the Town of Mooreland and the Mooreland Wastewater Utility. The records presented did not provide sufficient information to examine or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Clerk-Treasurer's Depository Statement and Cash Reconciliation, Simplified Cash Journal and a complete Ledger of Receipts, Disbursements, and Balances were not presented for examination for 2010 or 2011. No Wastewater Utility simplified cash journals were kept for 2010 or 2011. The detailed records of customer accounts were not adequately kept during the examination period. Some payments, payment dates, and account balances were not recorded. No ledgers were presented for examination for the Trash Fund. In addition, receipts, various invoices, bank statements, and supporting documentation for 2010 and 2011 were not retained and available for examination.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**RECEIPT ISSUANCE**

We conducted a test designed to verify that receipts issued were properly recorded to the Town's records at the time the transactions occurred. Our test disclosed that, while cash collections were posted to the records, no receipts had been issued. Thus, we were unable to determine if deposits were made timely.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

TOWN OF MOORELAND  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**APPROPRIATIONS**

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

Fund	Years	Excess Amount Expended
General	2011	\$ 20,718
General	2012	13,712
Motor Vehicle Highway	2011	3,135

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."

**ERRORS ON CLAIMS**

A test of claims identified the following deficiencies with an error rate greater than 10 percent:

1. Claims were not prepared for 10 percent of disbursements. This error resulted in \$55,519 of expenditures which were not supported by a proper claim.
2. We reviewed all claims and 20 percent were not accompanied by adequate supporting documentation. This error resulted in \$148,470 of expenditures were not adequately supported.
3. Of the claims issued, for 2010 and 2011, only the General Fund claims were properly accounted for in the Town's records, because records were not kept for the other funds. This error resulted in \$281,788 in disbursements not properly accounted for in the Town's records.

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 MOORELAND  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***ADVANCE PAYMENTS***

The Town paid \$4,000 in advance of the actual receipt of heating fuel purchased from Luellen LP Gas Inc. Also, for 34 of the 36 months during the examination period, payroll was paid at least 3 business days and up to 20 business days prior to the end of the month.

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)

***COMPENSATION AND BENEFITS***

Compensation for overtime pay totaling \$625 was paid to the Town Marshal. Provisions for this type of compensation were not included in the payroll system or on the salary ordinance or resolution.

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)

***ANNUAL REPORT - ERRORS***

The Annual Reports for 2010, 2011, and 2012 contained a number of errors and did not properly reflect the financial activity of the Town of Mooreland.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year."

***ANNUAL REPORT - DELINQUENT***

The Annual Report for 2010 was not filed until June 28, 2011.

The Annual Report for 2011 was not filed until November 1, 2012.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year."

TOWN OF MOORELAND  
EXIT CONFERENCE

The contents of this report were discussed on October 9, 2013, with Georgette May, Clerk-Treasurer, and Don Davis, President of the Town Council. The officials concurred with our findings.