

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF MOORESVILLE
MORGAN COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
08/01/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sandra Perry	01-01-12 to 12-31-15
President of the Town Council	Mark Mathis	01-01-13 to 12-31-14
Judge	Susan J. Leib	01-01-12 to 12-31-15



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MOORESVILLE, MORGAN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Mooresville (Town), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2014, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

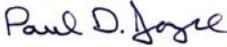
Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule 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 statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

May 15, 2014



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE TOWN OF MOORESVILLE, MORGAN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Town of Mooresville (Town), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated May 15, 2014, wherein we noted the Town followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 to be significant deficiencies.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

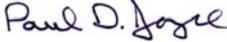
As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Town of Mooresville's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 15, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

TOWN OF MOORESVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 1,082,838	\$ 4,264,688	\$ 4,412,796	\$ 934,730
MVH	272,872	887,962	915,901	244,933
LR&S	404,716	83,290	75,611	412,395
PARK NONREVERT OPERATIN	280,764	263,286	152,310	391,740
FIRE NON-REVERTING EMS FUND	-	1,500	205	1,295
LLEPCE	71,474	15,241	2,144	84,571
UNSAFE BUILDING	34,500	4,166	29,954	8,712
RIVERBOAT	149,239	56,540	26,756	179,023
PARK & RECREATION	86,132	994,764	841,542	239,354
RAINY DAY	667,084	-	-	667,084
EDIT	535,891	372,062	401,115	506,838
CCI	48,549	25,475	25,285	48,739
CCD	543,636	221,364	225,000	540,000
PARK NON-REV CAPITAL	1,022,728	1,643	323,015	701,356
HEALTH SELF INSURANCE	541	1,968,287	1,478,108	490,720
PUBLIC SAFETY LOIT	246,006	592,129	523,937	314,198
Court Fund	24,663	448,043	454,138	18,568
PARK GRANT FUND	-	4,500	3,842	658
PARK DONATIONS	40,163	6,915	1,570	45,508
FOOD AND BEVERAGE	2,015,700	367,481	847,860	1,535,321
BURGLAR ALARM PERMITS	7,703	3,800	-	11,503
POLICE DRUG	28,470	1,344	5,459	24,355
OPERATION PULL OVER	-	5,338	5,338	-
ECONOMIC DEVELOPMENT USE	13,750	-	-	13,750
POLICE DONATION	14,943	300	1,127	14,116
PETTY CASH	400	-	-	400
PARK PETTY CASH	300	-	-	300
COURT FINES IN TRUST	5,300	-	-	5,300
MSVL COURT FAX	138	-	-	138
COUNTY COURT	3,074	33,894	33,756	3,212
POLICE CON'T ED	35,498	71,047	90,178	16,367
CRIMINAL JUSTICE REIMBRSM	2,924	-	-	2,924
VEST GRANT	-	1,662	1,662	-
SAFER GRANT	-	80,295	80,295	-
SRF BOND & INTEREST	723,546	596,240	562,344	757,442
SRF DEBT SVC RESERVE	288,784	119,496	-	408,280
SRF CONSTRUCTION FND 1	1,250,116	-	-	1,250,116
SRF WW	-	1,253,654	1,253,654	-
REDEVELOPMENT TIF 1	3,365,439	1,192,737	1,393,528	3,164,648
REDEVELOPMENT INTEREST	329,849	1,696	-	331,545
TIF 2 EXPANDED	242,163	35,327	-	277,490
REDEVELOPMENT TIF 2	2,192,757	700,662	107,808	2,785,611

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

TOWN OF MOORESVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
TIF RENTAL OF PROPERTY	-	166,392	124,737	41,655
FIRE DONATION	1,685	7,000	3,754	4,931
NON-REV CPR DONATION FUND	1,174	2,895	3,650	419
NON-REVERTING BUILDING	193,173	52,099	46,416	198,856
TOWN IMPROVEMENT DONATION	12,090	-	-	12,090
AFG/SCBA GRANT	-	149,910	149,910	-
KENDRICK FINANCIAL GRANT	13	-	-	13
NON-REV SW/SOIL EROSION	24,972	6,285	2,289	28,968
CEMETERY	11,914	20,280	10,424	21,770
CEMETERY PERM MTC	1,226	880	-	2,106
PR NET PAYROLL	-	2,618,383	2,618,383	-
PR FEDERAL W/H	-	378,169	378,169	-
PR FICA W/H	-	384,111	384,111	-
PR STATE/CTY W/H	-	219,555	219,555	-
PR PERF VOLUNTARY DED	-	2,211	2,211	-
PR 77 PENSION PLAN	-	80,646	80,646	-
PR-GIFFCU	-	77,953	77,953	-
PR-INDIANA PAGING EMPLOY	-	252	252	-
PR PEBSCO	-	53,761	53,761	-
PR CORE SOURCE	-	35,782	35,782	-
PR-PFS SHAREHOLDERS	-	3,900	3,900	-
PR AMERICAN HERITAGE INS	-	884	884	-
PR AFLAC	-	9,548	9,548	-
PR COLONIAL LIFE	-	2,431	2,431	-
PR-GARNISHMENT OF WAGES	-	959	959	-
PR M& I BANK-MOORE	-	1,300	1,300	-
PR TOWN OF MRSVL WWTP	-	1,760	1,760	-
PR CHILD SUPPORT	-	19,872	19,872	-
PR INTEREST EARNED	278	11	-	289
PR WORKSITE SOLUTIONS	-	715	715	-
PR PRE-PAID LEGAL	-	1,709	1,709	-
PR MISC CHARGES	1,160	363	-	1,523
MICHIGAN CHILD SUPPORT	-	10,137	10,137	-
PR ANNUAL CH SUPP FEE	-	110	110	-
PR-RENT (WILLIAMS)	-	2,900	2,900	-
PR - PREMIERE CREDIT OF NORTH AMERICA	-	325	325	-
STORMWATER USER FEES	208,652	136,563	94,002	251,213
WASTEWATER OPERATING	1,079,758	2,309,295	2,387,139	1,001,914
WASTEWATER PLANT IMPR	1,489,202	130,869	142,784	1,477,287
WASTEWATER B & I	-	415,736	415,736	-
WASTEWATER DEVEL AVAIL	1,033	3,450	4,480	3
WASTEWTR SEWER AVAILBLTY	274,259	550	8,075	266,734
WASTEWATER INVESTMENT	50,000	-	-	50,000
WASTEWATER FEDERAL GRANT	92,729	2,700	95,429	-
Totals	<u>\$ 19,475,968</u>	<u>\$ 21,989,479</u>	<u>\$ 21,672,436</u>	<u>\$ 19,793,011</u>

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

TOWN OF MOORESVILLE
NOTES TO FINANCIAL STATEMENT

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, wastewater, storm water, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 statement. 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.

TOWN OF MOORESVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. 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.

TOWN OF MOORESVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF MOORESVILLE
NOTES TO FINANCIAL STATEMENT
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF MOORESVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the Town's 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 statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	GENERAL FUND	MVH	LR&S	PARK NONREVERT OPERATIN	FIRE NON-REVERTING EMS FUND	LLEPCE	UNSAFE BUILDING
Cash and investments - beginning	\$ 1,082,838	\$ 272,872	\$ 404,716	\$ 280,764	\$ -	\$ 71,474	\$ 34,500
Receipts:							
Taxes	1,376,638	564,650	-	-	-	-	-
Licenses and permits	99,742	-	-	-	-	9,650	-
Intergovernmental	2,609,299	317,697	83,290	-	-	-	-
Charges for services	4,468	2,900	-	263,286	1,500	2,855	-
Fines and forfeits	110,234	-	-	-	-	2,736	-
Utility fees	-	-	-	-	-	-	-
Other receipts	64,307	2,715	-	-	-	-	4,166
Total receipts	<u>4,264,688</u>	<u>887,962</u>	<u>83,290</u>	<u>263,286</u>	<u>1,500</u>	<u>15,241</u>	<u>4,166</u>
Disbursements:							
Personal services	2,378,593	516,728	-	103,640	-	-	-
Supplies	222,847	102,786	-	36,617	205	-	-
Other services and charges	630,788	166,382	-	12,053	-	195	29,954
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	14,568	5	75,611	-	-	1,949	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,166,000	130,000	-	-	-	-	-
Total disbursements	<u>4,412,796</u>	<u>915,901</u>	<u>75,611</u>	<u>152,310</u>	<u>205</u>	<u>2,144</u>	<u>29,954</u>
Excess (deficiency) of receipts over disbursements	<u>(148,108)</u>	<u>(27,939)</u>	<u>7,679</u>	<u>110,976</u>	<u>1,295</u>	<u>13,097</u>	<u>(25,788)</u>
Cash and investments - ending	<u>\$ 934,730</u>	<u>\$ 244,933</u>	<u>\$ 412,395</u>	<u>\$ 391,740</u>	<u>\$ 1,295</u>	<u>\$ 84,571</u>	<u>\$ 8,712</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	RIVERBOAT	PARK & RECREATION	RAINY DAY	EDIT	CCI	CCD	PARK NON-REV CAPITAL
Cash and investments - beginning	\$ 149,239	\$ 86,132	\$ 667,084	\$ 535,891	\$ 48,549	\$ 543,636	\$ 1,022,728
Receipts:							
Taxes	-	720,974	-	-	-	197,602	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	56,540	72,708	-	372,062	25,036	17,413	-
Charges for services	-	200,257	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	825	-	-	439	6,349	1,643
Total receipts	56,540	994,764	-	372,062	25,475	221,364	1,643
Disbursements:							
Personal services	-	453,950	-	-	-	-	-
Supplies	-	67,617	-	-	-	-	-
Other services and charges	-	168,071	-	401,115	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	26,756	24,489	-	-	25,285	225,000	323,015
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	127,415	-	-	-	-	-
Total disbursements	26,756	841,542	-	401,115	25,285	225,000	323,015
Excess (deficiency) of receipts over disbursements	29,784	153,222	-	(29,053)	190	(3,636)	(321,372)
Cash and investments - ending	\$ 179,023	\$ 239,354	\$ 667,084	\$ 506,838	\$ 48,739	\$ 540,000	\$ 701,356

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	HEALTH SELF INSURANCE	PUBLIC SAFETY LOIT	Court Fund	PARK GRANT FUND	PARK DONATIONS	FOOD AND BEVERAGE	BURGLAR ALARM PERMITS
Cash and investments - beginning	\$ 541	\$ 246,006	\$ 24,663	\$ -	\$ 40,163	\$ 2,015,700	\$ 7,703
Receipts:							
Taxes	-	-	-	-	-	367,481	-
Licenses and permits	-	-	-	-	-	-	3,800
Intergovernmental	-	592,129	-	4,500	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	448,043	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,968,287	-	-	-	6,915	-	-
Total receipts	<u>1,968,287</u>	<u>592,129</u>	<u>448,043</u>	<u>4,500</u>	<u>6,915</u>	<u>367,481</u>	<u>3,800</u>
Disbursements:							
Personal services	-	414,479	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	1,478,108	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	109,458	-	3,842	1,570	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	454,138	-	-	847,860	-
Total disbursements	<u>1,478,108</u>	<u>523,937</u>	<u>454,138</u>	<u>3,842</u>	<u>1,570</u>	<u>847,860</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>490,179</u>	<u>68,192</u>	<u>(6,095)</u>	<u>658</u>	<u>5,345</u>	<u>(480,379)</u>	<u>3,800</u>
Cash and investments - ending	<u>\$ 490,720</u>	<u>\$ 314,198</u>	<u>\$ 18,568</u>	<u>\$ 658</u>	<u>\$ 45,508</u>	<u>\$ 1,535,321</u>	<u>\$ 11,503</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	POLICE DRUG	OPERATION PULL OVER	ECONOMIC DEVELOPMENT USE	POLICE DONATION	PETTY CASH	PARK PETTY CASH
Cash and investments - beginning	\$ 28,470	\$ -	\$ 13,750	\$ 14,943	\$ 400	\$ 300
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,344	5,338	-	300	-	-
Total receipts	<u>1,344</u>	<u>5,338</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	5,459	-	-	1,127	-	-
Other services and charges	-	5,338	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>5,459</u>	<u>5,338</u>	<u>-</u>	<u>1,127</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(4,115)</u>	<u>-</u>	<u>-</u>	<u>(827)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 24,355</u>	<u>\$ -</u>	<u>\$ 13,750</u>	<u>\$ 14,116</u>	<u>\$ 400</u>	<u>\$ 300</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	COURT FINES IN TRUST	MSVL COURT FAX	COUNTY COURT	POLICE CON'T ED	CRIMINAL JUSTICE REIMBRSM	VEST GRANT
Cash and investments - beginning	\$ 5,300	\$ 138	\$ 3,074	\$ 35,498	\$ 2,924	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,662
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	33,894	71,047	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>33,894</u>	<u>71,047</u>	<u>-</u>	<u>1,662</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	1,662
Other services and charges	-	-	33,756	90,178	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>33,756</u>	<u>90,178</u>	<u>-</u>	<u>1,662</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>138</u>	<u>(19,131)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,300</u>	<u>\$ 138</u>	<u>\$ 3,212</u>	<u>\$ 16,367</u>	<u>\$ 2,924</u>	<u>\$ -</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	SAFER GRANT	SRF BOND & INTEREST	SRF DEBT SVC RESERVE	SRF CONSTRUCTION FND 1	SRF WW	REDEVELOPMENT TIF 1
Cash and investments - beginning	\$ -	\$ 723,546	\$ 288,784	\$ 1,250,116	\$ -	\$ 3,365,439
Receipts:						
Taxes	-	-	-	-	-	1,192,737
Licenses and permits	-	-	-	-	-	-
Intergovernmental	80,295	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	596,240	119,496	-	1,253,654	-
Total receipts	<u>80,295</u>	<u>596,240</u>	<u>119,496</u>	<u>-</u>	<u>1,253,654</u>	<u>1,192,737</u>
Disbursements:						
Personal services	55,295	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,393,528
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	562,344	-	-	1,253,654	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	25,000	-	-	-	-	-
Total disbursements	<u>80,295</u>	<u>562,344</u>	<u>-</u>	<u>-</u>	<u>1,253,654</u>	<u>1,393,528</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>33,896</u>	<u>119,496</u>	<u>-</u>	<u>-</u>	<u>(200,791)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 757,442</u>	<u>\$ 408,280</u>	<u>\$ 1,250,116</u>	<u>\$ -</u>	<u>\$ 3,164,648</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	REDEVELOPMENT INTEREST	TIF 2 EXPANDED	REDEVELOPMENT TIF 2	TIF RENTAL OF PROPERTY	FIRE DONATION	NON-REV CPR DONATION FUND
Cash and investments - beginning	\$ 329,849	\$ 242,163	\$ 2,192,757	\$ -	\$ 1,685	\$ 1,174
Receipts:						
Taxes	-	35,327	700,662	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	164,878	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,696	-	-	1,514	7,000	2,895
Total receipts	<u>1,696</u>	<u>35,327</u>	<u>700,662</u>	<u>166,392</u>	<u>7,000</u>	<u>2,895</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	3,754	3,650
Other services and charges	-	-	107,808	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	124,737	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>107,808</u>	<u>124,737</u>	<u>3,754</u>	<u>3,650</u>
Excess (deficiency) of receipts over disbursements	<u>1,696</u>	<u>35,327</u>	<u>592,854</u>	<u>41,655</u>	<u>3,246</u>	<u>(755)</u>
Cash and investments - ending	<u>\$ 331,545</u>	<u>\$ 277,490</u>	<u>\$ 2,785,611</u>	<u>\$ 41,655</u>	<u>\$ 4,931</u>	<u>\$ 419</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	NON-REVERTING BUILDING	TOWN IMPROVEMENT DONATION	AFG/SCBA GRANT	KENDRICK FINANCIAL GRANT	NON-REV SW/SOIL EROSION	CEMETERY
Cash and investments - beginning	\$ 193,173	\$ 12,090	\$ -	\$ 13	\$ 24,972	\$ 11,914
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	52,099	-	-	-	6,285	-
Intergovernmental	-	-	149,910	-	-	-
Charges for services	-	-	-	-	-	19,440
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	840
Total receipts	<u>52,099</u>	<u>-</u>	<u>149,910</u>	<u>-</u>	<u>6,285</u>	<u>20,280</u>
Disbursements:						
Personal services	18,309	-	-	-	-	9,797
Supplies	16,882	-	-	-	-	-
Other services and charges	9,896	-	-	-	2,289	397
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,329	-	149,910	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	230
Total disbursements	<u>46,416</u>	<u>-</u>	<u>149,910</u>	<u>-</u>	<u>2,289</u>	<u>10,424</u>
Excess (deficiency) of receipts over disbursements	<u>5,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,996</u>	<u>9,856</u>
Cash and investments - ending	<u>\$ 198,856</u>	<u>\$ 12,090</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 28,968</u>	<u>\$ 21,770</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CEMETERY PERM MTC	PR NET PAYROLL	PR FEDERAL W/H	PR FICA W/H	PR STATE/CTY W/H	PR PERF VOLUNTARY DED
Cash and investments - beginning	\$ 1,226	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	880	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	2,618,383	378,169	384,111	219,555	2,211
Total receipts	880	2,618,383	378,169	384,111	219,555	2,211
Disbursements:						
Personal services	-	2,618,383	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	378,169	384,111	219,555	2,211
Total disbursements	-	2,618,383	378,169	384,111	219,555	2,211
Excess (deficiency) of receipts over disbursements	880	-	-	-	-	-
Cash and investments - ending	\$ 2,106	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PR 77 PENSION PLAN	PR-GIFFCU	PR-INDIANA PAGING EMPLOY	PR PEBSCO	PR CORE SOURCE	PR-PFS SHAREHOLDERS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	80,646	77,953	252	53,761	35,782	3,900
Total receipts	<u>80,646</u>	<u>77,953</u>	<u>252</u>	<u>53,761</u>	<u>35,782</u>	<u>3,900</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	80,646	77,953	252	53,761	35,782	3,900
Total disbursements	<u>80,646</u>	<u>77,953</u>	<u>252</u>	<u>53,761</u>	<u>35,782</u>	<u>3,900</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PR AMERICAN HERITAGE INS	PR AFLAC	PR COLONIAL LIFE	PR-GARNISHMENT OF WAGES	PR M& I BANK-MOORE	PR TOWN OF MRSVL WWTP
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	884	9,548	2,431	959	1,300	1,760
Total receipts	<u>884</u>	<u>9,548</u>	<u>2,431</u>	<u>959</u>	<u>1,300</u>	<u>1,760</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	884	9,548	2,431	959	1,300	1,760
Total disbursements	<u>884</u>	<u>9,548</u>	<u>2,431</u>	<u>959</u>	<u>1,300</u>	<u>1,760</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PR CHILD SUPPORT	PR INTEREST EARNED	PR WORKSITE SOLUTIONS	PR PRE-PAID LEGAL	PR MISC CHARGES	MICHIGAN CHILD SUPPORT
Cash and investments - beginning	\$ -	\$ 278	\$ -	\$ -	\$ 1,160	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	19,872	11	715	1,709	363	10,137
Total receipts	19,872	11	715	1,709	363	10,137
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	19,872	-	715	1,709	-	10,137
Total disbursements	19,872	-	715	1,709	-	10,137
Excess (deficiency) of receipts over disbursements	-	11	-	-	363	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,523</u>	<u>\$ -</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PR ANNUAL CH SUPP FEE	PR-RENT (WILLIAMS)	PR - PREMIERE CREDIT OF NORTH AMERICA	STORMWATER USER FEES	WASTEWATER OPERATING	WASTEWATER PLANT IMPR
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 208,652	\$ 1,079,758	\$ 1,489,202
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	133,174	2,263,220	17,100
Other receipts	110	2,900	325	3,389	46,075	113,769
Total receipts	<u>110</u>	<u>2,900</u>	<u>325</u>	<u>136,563</u>	<u>2,309,295</u>	<u>130,869</u>
Disbursements:						
Personal services	-	-	-	45,520	456,477	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	500	44,220	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	159	50,027	142,784
Utility operating expenses	-	-	-	22,789	1,045,680	-
Other disbursements	110	2,900	325	25,034	790,735	-
Total disbursements	<u>110</u>	<u>2,900</u>	<u>325</u>	<u>94,002</u>	<u>2,387,139</u>	<u>142,784</u>
Excess (deficiency) of receipts over disbursements	-	-	-	42,561	(77,844)	(11,915)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,213</u>	<u>\$ 1,001,914</u>	<u>\$ 1,477,287</u>

TOWN OF MOORESVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	WASTEWATER B & I	WASTEWATER DEVEL AVAIL	WASTEWTR SEWER AVAILBLTY	WASTEWATER INVESTMENT	WASTEWATER FEDERAL GRANT	Totals
Cash and investments - beginning	\$ -	\$ 1,033	\$ 274,259	\$ 50,000	\$ 92,729	\$ 19,475,968
Receipts:						
Taxes	-	-	-	-	-	5,156,071
Licenses and permits	-	-	-	-	-	171,576
Intergovernmental	-	-	-	-	2,700	4,385,241
Charges for services	-	-	-	-	-	660,464
Fines and forfeits	-	-	-	-	-	665,954
Utility fees	-	3,450	550	-	-	2,417,494
Other receipts	415,736	-	-	-	-	8,532,679
Total receipts	415,736	3,450	550	-	2,700	21,989,479
Disbursements:						
Personal services	-	-	-	-	-	7,071,171
Supplies	-	-	-	-	-	462,606
Other services and charges	-	-	-	-	-	4,574,576
Debt service - principal and interest	415,736	-	-	-	-	415,736
Capital outlay	-	4,480	8,075	-	95,429	3,224,476
Utility operating expenses	-	-	-	-	-	1,068,469
Other disbursements	-	-	-	-	-	4,855,402
Total disbursements	415,736	4,480	8,075	-	95,429	21,672,436
Excess (deficiency) of receipts over disbursements	-	(1,030)	(7,525)	-	(92,729)	317,043
Cash and investments - ending	\$ -	\$ 3	\$ 266,734	\$ 50,000	\$ -	\$ 19,793,011

TOWN OF MOORESVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ -	\$ 133,364
Wastewater	4,599	2,208,644
Governmental activities	50,810	-
Totals	\$ 55,409	\$ 2,342,008

TOWN OF MOORESVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	OshKosh Capital/Fire Engine	\$ 54,890	\$ 55,722
Notes and loans payable	Trinity Bank-West Bank/loader for street dept	31,709	21,816
Notes and loans payable	Pacaar Financial/Street Dept/two dump trucks	-	-
Total governmental activities		<u>86,599</u>	<u>77,538</u>
Wastewater:			
Notes and loans payable	State Revolving Loan	<u>8,482,000</u>	<u>597,010</u>
Totals		<u>\$ 8,568,599</u>	<u>\$ 674,548</u>

TOWN OF MOORESVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2013

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:	
Infrastructure	\$ 33,844
Buildings	651
Improvements other than buildings	37,769
Machinery, equipment, and vehicles	415,571
Total governmental activities	487,835
Storm Water	-
Wastewater:	
Infrastructure	131,519
Total capital assets	\$ 619,354

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TOWN OF MOORESVILLE, MORGAN COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Town of Mooresville's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on the Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

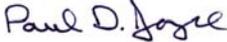
Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 15, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared by management of the Town. The schedule and note are presented as intended by the Town.

TOWN OF MOORESVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Indiana Office of Rural Community Affairs	14.228	DR2-09-090	\$ 2,700
Total - CDBG - State-Administered CDBG Cluster				<u>2,700</u>
Total - Department of Housing and Urban Development				<u>2,700</u>
<u>Department of Justice</u>				
Bullet Proof Vest Partnership Program	Direct Grant	16.607	2011BVBX110587	<u>1,662</u>
Total - Department of Justice				<u>1,662</u>
<u>Department of Transportation</u>				
Highway Safety Cluster				
Safety Belt Performance Grants	Morgan County	20.609	2013	<u>5,338</u>
Total - Highway Safety Cluster				<u>5,338</u>
Total - Department of Transportation				<u>5,338</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds	Indiana Dept. of Environmental Management	66.458	WW10035501	<u>626,827</u>
Total - Environmental Protection Agency				<u>626,827</u>
<u>Department of Homeland Security</u>				
Assistance to Firefighters Grant	Direct Grant	97.044	EMW-2012-FO-04874	<u>149,910</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	Direct Grant	97.083	EMW-2012-FH-00740	<u>80,295</u>
Total - Department of Homeland Security				<u>230,205</u>
Total federal awards expended				<u>\$ 866,732</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF MOORESVILLE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

TOWN OF MOORESVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Town should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

TOWN OF MOORESVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA we noted the following errors. The Capitalization Grants for Clean Water State Revolving Funds (CFDA 66.458) was incorrectly reported on the SEFA. The grant was reported at 100 percent of the amount expended; however, the federal percentage was 50 percent, thus, of the \$1,253,654 reported initially only \$626,827 should have been reported. There were various errors in regard to Grantor Agency, Cluster Title, Program Title, or Project Title. There was also an error on the Pass-Through Entity for the Safety Belt Performance Grants (CFDA 20.609) and no identifying number was reported. Audit adjustments were proposed, accepted by the Town, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that was materially correct in relation to the financial statement.

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

TOWN OF MOORESVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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)

***FINDING 2013-002 - INTERNAL CONTROLS OVER
FINANCIAL TRANSACTIONS AND REPORTING***

We noted several deficiencies in the internal control system of the Town related to financial transactions and reporting. We believe the following deficiencies constitute significant deficiencies:

1. Bank account reconciliations were not always reviewed by someone other than the preparer of the reconciliation.
2. Disbursements were not always properly approved by the governing board or were not always included on the claims docket for Council approval.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

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)

Section III - Financial Statement Findings

No matters are reportable.

AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the Town. The documents are presented as intended by the Town.

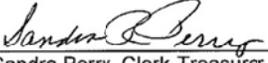
Summary Schedule of Prior Audit Findings

Finding 2012-3. Internal Controls over Major Programs

Original SBA Audit Report Number: B42493
Calendar Year 2012
Auditee Contact Person: Sandra Perry
Title of Contact Person: Clerk-Treasurer
Phone Number: 317-831-1608

State of Finding:

The Town of Mooresville created a sign off sheet for Wilhelm pay requests to verify payroll. We remembered to attach to some of the requests. We are doing better in 2014



Sandra Perry, Clerk-Treasurer

05-13-2014
Date

TOWN OF MOORESVILLE
CORRECTIVE ACTION PLAN

FINDING 2013 - 001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person:	Sandra Perry
Contact Title:	Town of Mooresville Clerk-Treasurer
Contact Number:	317-831-1608
Anticipated Completion Date:	

CORRECTIVE ACTION PLAN

- #1. The Town of Mooresville did not know about the percentages changing each year for the Annual report. For 2014 Annual report we will call to find out what percentage to use for reporting.

Signed *Sandra Perry*
Titled *Clerk - Treasurer*
Date *05-13-2014*

FINDING 2013 - 002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person:	Sandra Perry
Contact Title:	Town of Mooresville Clerk-Treasurer
Contact Number:	317-831-1608
Anticipated Completion Date:	

CORRECTIVE ACTION PLAN

#2. The employee that worked in claims and dockets in 2013 was doing the dockets incorrectly and not including the claims written in between meetings. When I caught this I started doing a calculator tape of the claims that were written in between meetings and adding the total to the docket total for council to give total of both docket and tape at the meetings. That person is no longer employed and the new person understands how to include the in between meetings on the docket so now we are getting the correct amounts of claims approved.

Signed *Sandra Perry*
Titled *Clerk - Treasurer*
Date *05-13-2014*

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the Town. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.