

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MIDDLETOWN

HENRY COUNTY, INDIANA

January 1, 2012 to December 31, 2013



FILED
01/22/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Drew Cooper	01-01-12 to 12-31-15
President of the Town Council	Betty Riley	01-01-12 to 12-31-15
Superintendent of Utilities	Tracey Harrison	01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

This report is supplemental to our examination report of the Town of Middletown (Town), for the period from January 1, 2012 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

October 21, 2015

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TOWN COUNCIL
TOWN OF MIDDLETOWN

TOWN COUNCIL
TOWN OF MIDDLETOWN
EXAMINATION RESULT AND COMMENT

ORDINANCES AND RESOLUTIONS

The Town has several ordinances concerning payment of utility service provided to the Town by the Town Utilities. However, as noted in the three prior Report Nos. B31537, B38065, and B41171, the Town did not fully comply with its ordinances. Although the Town has paid the current charges during our examination period for Hydrant Rental, it still owes the Water Utility \$124,711 for Hydrant Rental of previous years. The Town was also \$49,000 delinquent in its payments to the Electric Utility.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL
TOWN OF MIDDLETOWN
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2015, with Drew Cooper, Clerk-Treasurer, and Betty Riley, President of the Town Council.

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CLERK-TREASURER
TOWN OF MIDDLETOWN

CLERK-TREASURER
TOWN OF MIDDLETOWN
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Motor Vehicle Highway	2013	<u>\$ 12,845</u>

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."

CLERK-TREASURER
TOWN OF MIDDLETOWN
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2015, with Drew Cooper, Clerk-Treasurer, and Betty Riley, President of the Town Council.