

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
TOWN OF MCCORDSVILLE  
HANCOCK COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
09/26/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Catherine C. Gardner	01-01-04 to 12-31-07
President of the Town Council	Thomas Stayer	01-01-05 to 12-31-05
	Jennifer E. Williams	01-01-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Town of McCordsville (Town), for the period of January 1, 2005 to December 31, 2005. The Town's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Town for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 7, 2006

TOWN OF MCCORDSVILLE  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 92,497	\$ 970,119	\$ 921,525	\$ 141,091
Motor Vehicle Highway	110,011	122,483	143,311	89,183
Local Road and Street	32,708	18,092	21,849	28,951
Law Enforcement Continuing Education	3,093	1,691	2,650	2,134
Riverboat	14,322	7,150	-	21,472
Rainy Day	119,220	85,072	-	204,292
Donation	-	100	-	100
Cumulative Capital Improvement	17,084	3,506	2,925	17,665
Proprietary Funds:				
Wastewater Utility - Operating	237,061	801,996	742,048	297,009
Wastewater Utility - Bond and Interest	4,930	58,930	63,860	-
Wastewater Utility - Developer	94,384	233,967	218,199	110,152
Wastewater Utility - Customer Deposit	32,204	15,812	1,587	46,429
Wastewater Utility - Sewer Improvement Bond	1,156,648	503,343	197,120	1,462,871
Wastewater Utility - CCIF	73,422	131,135	5,080	199,477
Wastewater Utility - Debt Reserve	90,031	904	-	90,935
Wastewater Utility - Stormwater	-	101,650	101,157	493
Fiduciary Funds:				
Payroll	-	598,169	591,314	6,855
Levy Excess	-	2,246	-	2,246
Totals	<u>\$ 2,077,615</u>	<u>\$ 3,656,365</u>	<u>\$ 3,012,625</u>	<u>\$ 2,721,355</u>

The accompanying notes are an integral part of the schedule.

TOWN OF MCCORDSVILLE  
NOTES TO SCHEDULE

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highway and streets, culture and recreation, general administrative, and wastewater services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

TOWN OF MCCORDSVILLE  
NOTES TO SCHEDULE  
(Continued)

Note 6. Retirement Benefit

All regular full-time employees of the Town who have served their 90 day Introductory Period are eligible to participate in the Town's retirement plan. Employees electing to participate in the Town's retirement plan may opt to have a certain amount of money from his/her paycheck deposited directly to his/her individual "457" retirement plan. Full-time employees, regardless of personal deposits, shall have \$1,000 per year deposited by the Town into the "retirement plan" each year after the employee has completed 1 full year continuous employment. Said deposits will be made at the date specified in the current year's Municipal Salary Ordinance. In addition to personal deposits and the Town's deposits, employees that receive longevity pay may opt to have said longevity pay deposited directly into their retirement plan account in lieu of receiving said pay as an annual lump sum payment. This benefit, reminiscent of both the health and life insurance benefits, has the possibility of change. A summary on this particular benefit shall be available for review in the Clerk-Treasurer's office.

Note 7. Long-Term Debt

The Town has entered into various debts such as bonds for the construction of a wastewater treatment plant and a capital lease for police vehicles. The outstanding principal at December 31, 2005, was \$705,000 and \$51,143, respectively.

Note 8. Subsequent Event

On February 10, 2006, the Town entered into an agreement with Ford Motor Credit Company for the lease of 3 police vehicles. The lease agreement has a term of 48 months with payments of \$9,708.69 due each February and August during the lease term.

TOWN OF MCCORDSVILLE  
EXAMINATION RESULT AND COMMENT

ORDINANCES AND RESOLUTIONS

Ordinance 021004 was approved by the Town Council on March 11, 2004. This ordinance included a schedule of wastewater rates and charges. Two of the charges listed on the schedule were found to be in error. The actual amounts billed to some wastewater customers were not in agreement with the ordinance passed. The actual amounts billed to these customers were found to accurately reflect the Town's original intentions.

The ordinance has subsequently been superseded by a new rate ordinance.

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

TOWN OF MCCORDSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on September 7, 2006, with Catherine C. Gardner, Clerk-Treasurer; and Jennifer E. Williams, President of the Town Council. The officials concurred with our finding.