

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

EXAMINATION REPORT

OF

TOWN OF MOORESVILLE

MORGAN COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
10/31/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sandra Perry	01-01-05 to 12-31-07
President of the Town Council	Tom Warthen	01-01-05 to 12-31-06
Superintendent of Wastewater Utility	Daniel Tingle	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Town of Mooresville (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 21, 2006

TOWN OF MOORESVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, INTERNAL SERVICE, 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	\$ 2,066,055	\$ 3,031,675	\$ 3,882,719	\$ 1,215,011
Motor Vehicle Highway	280,387	804,548	721,282	363,653
Local Road and Street	642,805	92,300	20,200	714,905
Park and Recreation	40,931	940,707	876,218	105,420
Redevelopment Allocation Tax Increment Financing 1	1,269,999	638,453	287,759	1,620,693
Food and Beverage	1,084,392	328,705	574,473	838,624
Cemetery	2,832	30,535	29,330	4,037
Law Enforcement Continuing Education	37,682	6,983	2,208	42,457
Economic Development Income Tax	58,465	-	50,000	8,465
Nonreverting Building	36,662	38,360	28,785	46,237
Bids, Specs and Plans	880	-	-	880
Donation - Fire	4,379	2,973	249	7,103
Park Nonreverting Operating	123,686	64,102	51,462	136,326
Park Grant	100,594	-	100,594	-
Park Donation	31,192	10,928	26,793	15,327
Mooresville Court Fax	1,996	1,916	2,000	1,912
Christmas Decoration	61	-	-	61
GPD Drug Fund	525	13,833	7,094	7,264
Build Indiana Funds	146,203	-	110,000	36,203
Criminal Justice Reimbursement	2,925	-	-	2,925
Website Donation	1,366	-	-	1,366
Police Special Donation	8,629	12,473	10,447	10,655
Technolody Grant	757	-	-	757
Police Grant - Cops Fast	3	22,791	22,663	131
Town Improvement Donation	2,672	10,000	-	12,672
Unsafe Building	6,500	3,500	-	10,000
Nonreverting Stormwater	250	5,050	4,506	794
Redevelopment Authority Bond and Interest	36	123,156	123,176	16
Redevelopment Authority Reserve 1992	157,966	10,358	1,500	166,824
Investment Interest	77,049	28,861	-	105,910
Redevelopment District TIF Area 2	389,670	281,697	95,082	576,285
Redevelopment 1997 Bond Reserve	25,197	-	-	25,197
Redevelopment 1997 Principal and Interest	-	41,863	41,863	-
Tax Increment Financing 2 Expanded	9,131	11,110	-	20,241
Cumulative Capital Improvement	153,437	28,665	505	181,597
Park Nonreverting Capital	239,859	148,997	24,032	364,824
Cumulative Capital Development	566,828	135,459	190,458	511,829
Economic Development Use	17,797	-	-	17,797
Petty Cash	400	-	-	400
Riverboat	117,110	58,473	50,000	125,583
Internal Service Fund:				
Health Self Insurance	274,714	1,174,897	1,130,893	318,718
Proprietary Funds:				
Wastewater Utility - Operating	1,123,263	1,218,665	1,204,235	1,137,693
Wastewater Utility - Bond and Interest	39,675	-	-	39,675
Wastewater Utility - Improvement	2,176,573	338,920	1,046,001	1,469,492
Wastewater Utility - Development Availability	7,800	156,712	118,626	45,886
Wastewater Utility - Availability	183,717	52,238	-	235,955
Fiduciary Funds:				
County Court Fund	2,053	26,792	28,845	-
Town Court	55,463	328,798	335,599	48,662
Police Continuing Education	30,806	55,316	61,334	24,788
Payroll	15,862	3,126,373	3,123,229	19,006
Cemetery Permanent Maintenance	25,967	1,995	20,000	7,962
Court Fines in Trust	5,300	-	-	5,300
Totals	<u>\$ 11,648,501</u>	<u>\$ 13,409,177</u>	<u>\$ 14,404,160</u>	<u>\$ 10,653,518</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MOORESVILLE
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, health and social services, culture and recreation, and general administrative 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 MOORESVILLE
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

2. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) 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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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:

TOWN OF MOORESVILLE
NOTES TO SCHEDULE
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
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Note 7. Long-Term Debt

The Town has entered into debt in the form of bonds for Redevelopment Authority projects. The outstanding principal at December 31, 2005, was \$300,000.

TOWN OF MOORESVILLE
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS - POLICE DEPARTMENT

As stated in prior Audit Report B27158, the Town of Mooresville Police Department was using a form for receipts which had not been approved for use in lieu of the prescribed form.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS - POLICE DEPARTMENT

There were 23 instances in 2005 where the Police Department failed to submit receipts to the Clerk-Treasurer on a weekly basis.

Receipts collected should be remitted to the clerk-treasurer or controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003, Page 5)

TOWN OF MOORESVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2006, with Sandra Perry, Clerk-Treasurer; and Darlene Moore, Administrative Assistant. The officials concurred with our findings.