

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF MEDORA

JACKSON COUNTY, INDIANA

January 1, 2009 to December 31, 2010



**FILED**  
12/07/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Betty M. Campbell	01-01-08 to 12-31-11
President of the Town Council	James L. Davers	01-01-09 to 12-31-11
Superintendent of Utilities	Melvin Hunsucker Christopher Boulet	01-01-09 to 10-15-10 10-16-10 to 12-31-11



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MEDORA, JACKSON COUNTY, INDIANA

We have examined the financial statements of the Town of Medora (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. 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 financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management and the Town Council, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 20, 2011

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## FINANCIAL STATEMENTS

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

TOWN OF MEDORA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ (53,298)	\$ 79,893	\$ 78,967	\$ (52,372)
Motor Vehicle Highway	26,157	15,047	17,170	24,034
Local Road And Street	42,074	3,363	203	45,234
Law Enforcement Continuing Education	3,791	935	1,405	3,321
Riverboat	19,023	3,535	850	21,708
Parks And Recreation	4,023	265	659	3,629
Rainy Day	2,362	-	-	2,362
Cumulative Capital Development	35,186	2,619	-	37,805
Cumulative Capital Improvement	1,764	1,733	-	3,497
County Economic Development Income Tax	42,260	4,969	8,942	38,287
Payroll	-	128,119	128,121	(2)
Wastewater Utility-Operating	41,526	142,618	146,598	37,546
Wastewater Utility-Bond And Interest	89,945	47,600	20,850	116,695
Sewer Project	300	319,232	316,729	2,803
Water Utility-Operating	65,908	186,438	174,098	78,248
Water Utility-Bond And Interest	66,472	93,942	53,297	107,117
Water Utility-Customer Deposit	16,097	4,800	3,705	17,192
Totals	<u>\$ 403,590</u>	<u>\$ 1,035,108</u>	<u>\$ 951,594</u>	<u>\$ 487,104</u>

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

TOWN OF MEDORA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ (52,372)	\$ 154,056	\$ 81,802	\$ 19,882
Motor Vehicle Highway	24,034	14,883	18,182	20,735
Local Road And Street	45,234	3,434	371	48,297
County Economic Development Income Tax	38,287	7,856	9,809	36,334
Law Enforcement Continuing Education	3,321	990	22	4,289
Riverboat	21,708	3,536	-	25,244
Parks And Recreation	3,629	6,900	340	10,189
Rainy Day	2,362	2,931	-	5,293
Cumulative Capital Improvement	3,497	-	-	3,497
Cumulative Capital Development	37,805	3,994	2,999	38,800
Payroll	(2)	142,357	142,356	(1)
Wastewater Utility-Operating	37,546	110,315	117,223	30,638
Wastewater Utility-Bond And Interest	116,695	33,600	20,450	129,845
Sewer Project	2,803	304,677	304,810	2,670
Water Utility-Operating	78,248	194,332	158,659	113,921
Water Utility-Bond And Interest	107,117	62,628	55,454	114,291
Water Utility-Customer Deposit	17,192	3,600	3,409	17,383
Totals	<u>\$ 487,104</u>	<u>\$ 1,050,089</u>	<u>\$ 915,886</u>	<u>\$ 621,307</u>

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

TOWN OF MEDORA  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police), highways and streets, culture and recreation, public improvements, general administrative services, water, and wastewater.

The accompanying financial statements present the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, 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, county economic development income 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 MEDORA  
NOTES TO FINANCIAL STATEMENTS  
(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: copies of public records, copy machine charges, accident report copies, gun permit applications, park rental fees, cable tv receipts, ordinance violations, and fines and fees.

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

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

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

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

TOWN OF MEDORA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 MEDORA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. *Risk Management***

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

TOWN OF MEDORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Education	Riverboat	Parks And Recreation
Cash and investments - beginning	\$ (53,298)	\$ 26,157	\$ 42,074	\$ 3,791	\$ 19,023	\$ 4,023
Receipts:						
Taxes	46,704	-	-	-	-	-
Licenses and permits	-	-	-	385	-	-
Intergovernmental	29,819	15,047	3,363	-	3,535	265
Fines and forfeits	-	-	-	50	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,370	-	-	500	-	-
Total receipts	<u>79,893</u>	<u>15,047</u>	<u>3,363</u>	<u>935</u>	<u>3,535</u>	<u>265</u>
Disbursements:						
Personal services	32,597	17,170	-	-	-	-
Supplies	20,015	-	203	1,405	-	659
Other services and charges	26,355	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	850	-
Total disbursements	<u>78,967</u>	<u>17,170</u>	<u>203</u>	<u>1,405</u>	<u>850</u>	<u>659</u>
Excess (deficiency) of receipts over disbursements	<u>926</u>	<u>(2,123)</u>	<u>3,160</u>	<u>(470)</u>	<u>2,685</u>	<u>(394)</u>
Cash and investments - ending	<u>\$ (52,372)</u>	<u>\$ 24,034</u>	<u>\$ 45,234</u>	<u>\$ 3,321</u>	<u>\$ 21,708</u>	<u>\$ 3,629</u>

TOWN OF MEDORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Rainy Day	Cumulative Capital Development	Cumulative Capital Improvement	County Economic Development Income Tax	Payroll	Wastewater Utility-Operating
Cash and investments - beginning	\$ 2,362	\$ 35,186	\$ 1,764	\$ 42,260	\$ -	\$ 41,526
Receipts:						
Taxes	-	2,232	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	387	1,733	4,969	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	113,543
Other receipts	-	-	-	-	128,119	29,075
Total receipts	-	2,619	1,733	4,969	128,119	142,618
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	8,942	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	85,810
Other disbursements	-	-	-	-	128,121	60,788
Total disbursements	-	-	-	8,942	128,121	146,598
Excess (deficiency) of receipts over disbursements	-	2,619	1,733	(3,973)	(2)	(3,980)
Cash and investments - ending	\$ 2,362	\$ 37,805	\$ 3,497	\$ 38,287	\$ (2)	\$ 37,546

TOWN OF MEDORA  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Wastewater Utility-Bond And Interest	Sewer Project	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 89,945	\$ 300	\$ 65,908	\$ 66,472	\$ 16,097	\$ 403,590
Receipts:						
Taxes	-	-	-	-	-	48,936
Licenses and permits	-	-	-	-	-	385
Intergovernmental	-	319,232	-	-	-	378,350
Fines and forfeits	-	-	-	-	-	50
Utility fees	-	-	179,489	-	-	293,032
Other receipts	47,600	-	6,949	93,942	4,800	314,355
Total receipts	<u>47,600</u>	<u>319,232</u>	<u>186,438</u>	<u>93,942</u>	<u>4,800</u>	<u>1,035,108</u>
Disbursements:						
Personal services	-	-	-	-	-	49,767
Supplies	-	-	-	-	-	22,282
Other services and charges	-	-	-	-	-	35,297
Debt service - principal and interest	20,850	-	-	53,297	-	74,147
Capital outlay	-	316,729	-	-	-	316,729
Utility operating expenses	-	-	80,156	-	3,705	169,671
Other disbursements	-	-	93,942	-	-	283,701
Total disbursements	<u>20,850</u>	<u>316,729</u>	<u>174,098</u>	<u>53,297</u>	<u>3,705</u>	<u>951,594</u>
Excess (deficiency) of receipts over disbursements	<u>26,750</u>	<u>2,503</u>	<u>12,340</u>	<u>40,645</u>	<u>1,095</u>	<u>83,514</u>
Cash and investments - ending	<u>\$ 116,695</u>	<u>\$ 2,803</u>	<u>\$ 78,248</u>	<u>\$ 107,117</u>	<u>\$ 17,192</u>	<u>\$ 487,104</u>

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

	General	Motor Vehicle Highway	Local Road And Street	County Economic Development Income Tax	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ (52,372)	\$ 24,034	\$ 45,234	\$ 38,287	\$ 3,321	\$ 21,708
Receipts:						
Taxes	106,526	-	-	-	-	-
Licenses and permits	-	-	-	-	390	-
Intergovernmental	42,505	14,883	3,434	7,648	-	3,536
Fines and forfeits	-	-	-	-	95	-
Utility fees	-	-	-	-	-	-
Other receipts	5,025	-	-	208	505	-
Total receipts	<u>154,056</u>	<u>14,883</u>	<u>3,434</u>	<u>7,856</u>	<u>990</u>	<u>3,536</u>
Disbursements:						
Personal services	36,039	18,182	-	-	-	-
Supplies	15,010	-	371	-	22	-
Other services and charges	7,695	-	-	9,809	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	23,058	-	-	-	-	-
Total disbursements	<u>81,802</u>	<u>18,182</u>	<u>371</u>	<u>9,809</u>	<u>22</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>72,254</u>	<u>(3,299)</u>	<u>3,063</u>	<u>(1,953)</u>	<u>968</u>	<u>3,536</u>
Cash and investments - ending	<u>\$ 19,882</u>	<u>\$ 20,735</u>	<u>\$ 48,297</u>	<u>\$ 36,334</u>	<u>\$ 4,289</u>	<u>\$ 25,244</u>

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

	Parks And Recreation	Rainy Day	Cumulative Capital Improvement	Cumulative Capital Development	Payroll	Wastewater Utility-Operating
Cash and investments - beginning	\$ 3,629	\$ 2,362	\$ 3,497	\$ 37,805	\$ (2)	\$ 37,546
Receipts:						
Taxes	5,926	-	-	3,389	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	974	2,931	-	605	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	110,273
Other receipts	-	-	-	-	142,357	42
Total receipts	<u>6,900</u>	<u>2,931</u>	<u>-</u>	<u>3,994</u>	<u>142,357</u>	<u>110,315</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	22	-	-	2,999	-	-
Other services and charges	318	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	9,738
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	73,885
Other disbursements	-	-	-	-	142,356	33,600
Total disbursements	<u>340</u>	<u>-</u>	<u>-</u>	<u>2,999</u>	<u>142,356</u>	<u>117,223</u>
Excess (deficiency) of receipts over disbursements	<u>6,560</u>	<u>2,931</u>	<u>-</u>	<u>995</u>	<u>1</u>	<u>(6,908)</u>
Cash and investments - ending	<u>\$ 10,189</u>	<u>\$ 5,293</u>	<u>\$ 3,497</u>	<u>\$ 38,800</u>	<u>\$ (1)</u>	<u>\$ 30,638</u>

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

	Wastewater Utility-Bond And Interest	Sewer Project	Utility-Operating	Water And Interest	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 116,695	\$ 2,803	\$ 78,248	\$ 107,117	\$ 17,192	\$ 487,104
Receipts:						
Taxes	-	-	-	-	-	115,841
Licenses and permits	-	-	-	-	-	390
Intergovernmental	-	-	-	-	-	76,516
Fines and forfeits	-	-	-	-	-	95
Utility fees	-	304,677	187,946	-	-	602,896
Other receipts	33,600	-	6,386	62,628	3,600	254,351
Total receipts	<u>33,600</u>	<u>304,677</u>	<u>194,332</u>	<u>62,628</u>	<u>3,600</u>	<u>1,050,089</u>
Disbursements:						
Personal services	-	-	-	-	-	54,221
Supplies	-	-	-	-	-	18,424
Other services and charges	-	-	-	-	-	17,822
Debt service - principal and interest	20,450	-	-	55,454	-	85,642
Capital outlay	-	235,993	-	-	-	235,993
Utility operating expenses	-	68,817	82,422	-	3,409	228,533
Other disbursements	-	-	76,237	-	-	275,251
Total disbursements	<u>20,450</u>	<u>304,810</u>	<u>158,659</u>	<u>55,454</u>	<u>3,409</u>	<u>915,886</u>
Excess (deficiency) of receipts over disbursements	<u>13,150</u>	<u>(133)</u>	<u>35,673</u>	<u>7,174</u>	<u>191</u>	<u>134,203</u>
Cash and investments - ending	<u>\$ 129,845</u>	<u>\$ 2,670</u>	<u>\$ 113,921</u>	<u>\$ 114,291</u>	<u>\$ 17,383</u>	<u>\$ 621,307</u>

TOWN OF MEDORA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

Description of Debt	Ending Balance	Principal and Interest Due Within One Year	Fund/Department
Revenue bonds			
1992 Water improvement revenue bonds	\$ 95,000	\$ 35,600	Water Utility-Bond And Interest
1988 Wastewater repair and maintenance revenue bonds	241,000	21,050	Wastewater Utility-Bond And Interest
2003 Water refunding revenue bonds	<u>30,000</u>	<u>16,836</u>	Water Utility-Bond And Interest
Total debt	<u>\$ 366,000</u>	<u>\$ 73,486</u>	

TOWN OF MEDORA  
EXAMINATION RESULTS AND COMMENTS

***DELINQUENT WASTEWATER ACCOUNTS***

Delinquent Wastewater Utility fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
  - (B) A description of the premises, as shown by the records of the county auditor.
  - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

***CAPITAL ASSET RECORDS***

As stated in the prior examination, the Town does not maintain sufficient detailed records of capital assets.

The Water and Wastewater Utilities do not maintain sufficient detailed records of capital assets for their respective Utility Plant in Service accounts. Upon purchase, the costs of the capital assets are added to an aggregate Utility Plant in Service account, and to subsidiary accounts for land, buildings, etc., in the General Ledger. However, records providing historical costs for some of each Utility's capital assets are not available, and records classifying and summarizing the Utilities' capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MEDORA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**APPROPRIATIONS**

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2009	\$ 9,668
General	2010	7,202

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."

**SERVICE AND TIME RECORDS**

Employee service records are not being maintained for the Town Marshal showing leave time earned and used. The salary ordinance specifies all employees are to earn and use leave time according to Town personnel policies.

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)

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)

**OFFICIAL BOND**

The Clerk-Treasurer's official bond was obtained for the coverage amount of \$15,000 instead of the required amount of \$30,000.

Indiana Code 5-4-1-18(c) states in part:

"Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . town clerk-treasurers, . . . (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

TOWN OF MEDORA  
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2011, with Betty M. Campbell, Clerk-Treasurer, and James L. Davers, President of the Town Council. The officials concurred with our findings.