

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

EXAMINATION REPORT

OF

TOWN OF MARKLE

HUNTINGTON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
08/28/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4-5
Notes to Schedules	6-7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carolyn Hamilton

01-01-04 to 12-31-07

President of the Town Council

Jeff Stockman
Tamra Boucher

01-01-04 to 12-31-05
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 MARKLE, HUNTINGTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Markle (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 2, 2006

TOWN OF MARKLE
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, 2004

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 180,530	\$ 822,113	\$ 460,827	\$ 541,816
Motor Vehicle Highway	36,790	34,571	21,236	50,125
Local Road and Street	30,039	6,011	117	35,933
Law Enforcement Continuing Education	805	360	794	371
Park and Recreation	20,886	24,710	3,537	42,059
Police Department Grant	7,206	1,808	8,754	260
Police Department Community Safety	148	-	-	148
Riverboat	6,968	6,949	-	13,917
Town of Markle Four Township Interlocal	140,608	6,869	-	147,477
Rainy Day	50,850	13,803	-	64,653
Wayne Metals DOC Loan	8,031	38,246	30,906	15,371
Cumulative Capital Improvement	32,191	4,112	6,605	29,698
Cumulative Capital Development	18,419	17,507	-	35,926
Economic Development Income Tax	145,297	116,994	97,481	164,810
Proprietary Funds:				
Water Utility - Operating	81,046	178,282	155,324	104,004
Water Utility - Bond and Interest	2,830	33,968	33,968	2,830
Water Utility - Depreciation	72,524	5,280	39,764	38,040
Water Utility - Customer Deposit	3,479	1,200	1,875	2,804
Water Utility - Bond Reserve	33,860	-	-	33,860
Wastewater Utility - Operating	212,076	273,994	342,704	143,366
Wastewater Utility - Plant Depreciation	151,333	29,000	103,293	77,040
Wastewater Utility - Depreciation	371,876	78,000	315,101	134,775
Wastewater Utility - Grant	-	1,508,233	1,235,606	272,627
Fiduciary Fund:				
Payroll	-	323,627	323,627	-
Totals	<u>\$ 1,607,792</u>	<u>\$ 3,525,637</u>	<u>\$ 3,181,519</u>	<u>\$ 1,951,910</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MARKLE
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	\$ 541,816	\$ 598,599	\$ 474,960	\$ 665,455
Motor Vehicle Highway	50,125	34,278	34,367	50,036
Local Road and Street	35,933	5,941	676	41,198
Law Enforcement Continuing Education	371	404	340	435
Park and Recreation	42,059	17,204	22,832	36,431
Police Department Grant	260	850	1,033	77
Police Department Community Safety	148	-	-	148
Riverboat	13,917	6,949	6,872	13,994
Town of Markle Four Township Interlocal	147,477	1,694	-	149,171
Rainy Day	64,653	-	-	64,653
Levy Excess	-	18,090	-	18,090
Wayne Metals DOC Loan	15,371	22,468	30,157	7,682
Cumulative Capital Improvement	29,698	3,407	-	33,105
Cumulative Capital Development	35,926	11,068	471	46,523
Economic Development Income Tax	164,810	65,308	135,584	94,534
Proprietary Funds:				
Water Utility - Operating	104,004	180,114	165,386	118,732
Water Utility - Bond and Interest	2,830	33,968	33,968	2,830
Water Utility - Depreciation	38,040	5,280	5,114	38,206
Water Utility - Customer Deposit	2,804	874	975	2,703
Water Utility - Bond Reserve	33,860	-	-	33,860
Wastewater Utility - Operating	143,366	261,058	264,562	139,862
Wastewater Utility - Plant Depreciation	77,040	-	4,498	72,542
Wastewater Utility - Depreciation	134,775	-	54,016	80,759
Wastewater Utility - Bond and Interest	-	251,895	251,895	-
Wastewater Utility - Grant	272,627	81,000	353,627	-
Wastewater Utility - Bond Reserve	-	65,000	65,000	-
Fiduciary Fund:				
Payroll	-	328,088	328,088	-
Totals	<u>\$ 1,951,910</u>	<u>\$ 1,993,537</u>	<u>\$ 2,234,421</u>	<u>\$ 1,711,026</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MARKLE
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment.

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 MARKLE
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

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.

Note 7. Long-Term Debt

The Town has entered into various debt such as an Industrial Development loan, a Water Utility loan, and a Wastewater Utility loan. The outstanding principal at December 31, 2005, was \$156,250, \$257,414 and \$429,225, respectively.

TOWN OF MARKLE
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2006, with Jeffrey LaMontagne, Town Council Member; and on August 2, 2006, with Carolyn Hamilton, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.