

B37830

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

EXAMINATION REPORT
OF
TOWN OF MARKLE
HUNTINGTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/16/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4-5
Notes to Financial Information	6-7
Supplementary Information:	
Schedule of Long-Term Debt	8
Examination Results and Comments:	
Appropriations.....	9
Capital Asset Records	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carolyn Hamilton Carolyn Hamilton (Interim) Heather M. Monticue	01-01-08 to 04-02-10 04-03-10 to 04-27-10 04-28-10 to 12-31-11
President of the Town Council	Tamra Boucher Jeffery Humbarger	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MARKLE, HUNTINGTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Markle (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. 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 information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 24, 2010

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, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 565,527	\$ 547,969	\$ 754,272	\$ 359,224
Motor Vehicle Highway	35,138	32,604	54,297	13,445
Local Road and Street	5,667	5,563	2,231	8,999
Park and Recreation	36,122	15,064	13,329	37,857
Law Enforcement Continuing Education	1,078	1,077	959	1,196
Riverboat	19,925	6,913	6,049	20,789
Rainy Day	218,627	76,411	-	295,038
Cumulative Capital Improvement	4,852	3,584	5,000	3,436
Cumulative Capital Development	33,063	11,453	17,000	27,516
Police Department Grant	3,999	260	4,254	5
Police Department Community Safety	148	300	272	176
Wayne Metals DOC Loan	14,347	27,562	34,765	7,144
Economic Development Income Tax	154,368	163,118	111,075	206,411
TIF District	4,986	11,552	178	16,360
LOIT Public Safety	-	4,239	-	4,239
Proprietary Funds:				
Water Utility - Operating	109,555	187,206	181,296	115,465
Water Utility - Bond and Interest	2,830	33,968	33,968	2,830
Water Utility - Depreciation	39,139	9,018	5,114	43,043
Water Utility - Customer Deposit	2,403	1,500	1,345	2,558
Water Utility - Bond Reserve	33,860	-	-	33,860
Wastewater Utility - Operating	198,470	260,903	232,177	227,196
Wastewater Utility - Bond and Interest	-	51,892	51,892	-
Wastewater Utility - Plant Depreciation	64,039	-	24,938	39,101
Wastewater Utility - Depreciation	24,882	-	-	24,882
Fiduciary Fund:				
Payroll	-	350,426	350,426	-
Totals	<u>\$ 1,573,025</u>	<u>\$ 1,802,582</u>	<u>\$ 1,884,837</u>	<u>\$ 1,490,770</u>

The accompanying notes are an integral part of the financial information.

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, 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 359,224	\$ 551,686	\$ 560,243	\$ 350,667
Motor Vehicle Highway	13,445	32,134	14,672	30,907
Local Road and Street	8,999	5,311	176	14,134
Park and Recreation	37,857	14,496	5,553	46,800
Law Enforcement Continuing Education	1,196	1,085	1,073	1,208
Riverboat	20,789	6,897	5,044	22,642
Rainy Day	295,038	82,912	-	377,950
Cumulative Capital Improvement	3,436	3,379	-	6,815
Cumulative Capital Development	27,516	9,976	-	37,492
Police Department Grant	5	750	750	5
Police Department Community Safety	176	-	-	176
Wayne Metals DOC Loan	7,144	20,164	20,298	7,010
Economic Development Income Tax	206,411	80,064	4,939	281,536
TIF District	16,360	35,560	-	51,920
LOIT Public Safety	4,239	28,612	-	32,851
Proprietary Funds:				
Water Utility - Operating	115,465	191,348	176,183	130,630
Water Utility - Bond and Interest	2,830	67,828	67,828	2,830
Water Utility - Depreciation	43,043	7,788	5,114	45,717
Water Utility - Customer Deposit	2,558	1,575	825	3,308
Water Utility - Bond Reserve	33,860	-	33,860	-
Wastewater Utility - Operating	227,196	246,782	284,490	189,488
Wastewater Utility - Bond and Interest	-	126,892	126,892	-
Wastewater Utility - Plant Depreciation	39,101	-	-	39,101
Wastewater Utility - Depreciation	24,882	-	-	24,882
Fiduciary Fund:				
Payroll	-	327,696	327,696	-
Totals	<u>\$ 1,490,770</u>	<u>\$ 1,842,935</u>	<u>\$ 1,635,636</u>	<u>\$ 1,698,069</u>

The accompanying notes are an integral part of the financial information.

TOWN OF MARKLE
NOTES TO FINANCIAL INFORMATION

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, highways and streets, 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 FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

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.

TOWN OF MARKLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loan payable	\$ 56,250	\$ 26,406
Business-type activities:		
Water Utility:		
Loan payable	\$ 119,865	\$ 33,968
Wastewater Utility:		
Loan payable	220,197	51,892
Total business-type activities debt	\$ 340,062	\$ 85,860

TOWN OF MARKLE
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The Cumulative Capital Improvement Fund expenditures exceeded budgeted appropriations by \$1,108 for the year 2008.

IC 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."

CAPITAL ASSET RECORDS

Capital asset records are incomplete. The Clerk-Treasurer is in the process of updating the Capital Asset Ledger to include additions and deletions made during the period under examination. A similar comment appeared in prior Report B33059.

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 Asset 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 MARKLE
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2010, with Carolyn Hamilton, former Clerk-Treasurer; Heather M. Monticue, Clerk-Treasurer; and Mark Hamilton, Town Council member.