

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

AUDIT REPORT  
OF

CLERK-TREASURER  
TOWN OF ROCKVILLE  
PARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/07/2012



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TOWN OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Darrell L. Smiley Stephany M. Dowd	11-12-09 to 04-13-12 04-14-12 to 12-31-15
President of the Town Council	Norman Camerer Debra Ackerman	01-01-10 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE TOWN OF ROCKVILLE

We have audited the records of the Clerk-Treasurer, Town of Rockville, for the period from January 1, 2010 to December 31, 2011, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Biennial Report of the Town of Rockville for the years ended December 31, 2010 and 2011.

STATE BOARD OF ACCOUNTS

July 31, 2012

CLERK-TREASURER  
TOWN OF ROCKVILLE  
AUDIT RESULTS AND COMMENTS

**NONPAYMENT OF 1998 WASTEWATER REVENUE BONDS**

The Town had not made a payment on their 1998 Wastewater Revenue Bonds since June 2010. On June 25, 2012, the Town paid \$53,292 to become current on the bond payments. This payment included \$696 in interest due to nonpayment. Darrell L. Smiley, former Clerk-Treasurer, was requested to reimburse the Town \$696 for the additional accrued interest due to nonpayment. (See Summary of Charges, page 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**PENALTIES, INTEREST, AND OTHER CHARGES**

Penalties and interest were paid to the Internal Revenue Service, Indiana Department of Workforce Development and Indiana Department of Revenue for the following periods:

<u>Tax</u>	<u>Period</u>	<u>Penalties</u>	<u>Interest</u>	<u>Totals</u>	<u>Date Paid</u>
St/Co withholding	April 2010	\$ 421.51	\$ 6.07	\$ 427.58	07-14-10
St/Co withholding	May 2010	407.94	3.76	411.70	07-28-10
St/Co withholding	November 2010	58.37	10.63	69.00	01-28-11
St/Co withholding	August 2011	402.19	10.97	413.16	11-08-11
Federal Employment Tax (941)	March 2011	673.74	-	673.74	06-22-11
Federal Employment Tax (941)	December 2011	687.94	-	687.94	03-28-12
Sales tax	August 2011	2,232.10	36.95	2,269.05	11-18-11
State Unemployment Tax (UC-1)	1st qtr 2011	101.85	10.19	112.04	05-04-11
Utility Receipt tax	December 2010	2,535.62	528.43	3,064.05	07-12-12
Utility Receipt Tax	December 2011	<u>1,618.57</u>	<u>31.59</u>	<u>1,650.16</u>	07-12-12
Grand Totals		<u>\$ 9,139.83</u>	<u>\$ 638.59</u>	<u>\$ 9,778.42</u>	

Darrell L. Smiley, former Clerk Treasurer, was requested to reimburse the Town \$9,778.42 for penalties and interest paid to the Indiana Department of Revenue, Indiana Department of Workforce Development and Internal Revenue Service. A similar comment was included in the previous report. (See Summary of Charges, page 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

CLERK-TREASURER  
TOWN OF ROCKVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**COMPENSATION AND BENEFITS – OPERATION PULLOVER**

Operation Pullover is a program administered by the County Sheriff. The County reimburses the Town for the hours worked by its officers. The Town paid the amounts to Officer Jeff Ramey on vendor claims rather than running the amounts through the payroll system. In most instances, the Operation Pullover hours either were not entered on the timecards submitted to the Town or they were clearly marked and were not included in the monthly time sheets. In four instances, the hours were included on the timecards and monthly time sheets and paid from Town funds. This resulted in the double payment of 13 1/4 hours. Officer Jeff Ramey received \$8.16 and \$251.14 in 2010 and 2011, respectively, for hours worked on Operation Pullover which were also included on the monthly time sheets and included as regular pay from the Town. We instructed the officials to collect \$259.30 from Officer Ramey.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**BOND COVERAGE**

The following is information from the official bond which was presented for our audit:

Company: Western Surety Company  
Type of Coverage: Public Official Bond for Darrell L. Smiley, former Clerk-Treasurer  
Period of Coverage: 11-13-09 to 12-31-10  
Period of Coverage: 12-31-10 to 12-31-11

CLERK-TREASURER  
TOWN OF ROCKVILLE  
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2012, with Debra Ackerman, President of the Town Council; Parke Swaim, Town Council member; Karen Berry, Utility Clerk; and Darrell L. Smiley, former Clerk-Treasurer. The officials concurred with our audit findings.

The contents of this report were discussed on August 2, 2012, with Stephany M. Dowd, Clerk-Treasurer. The officials concurred with our audit findings.

CLERK-TREASURER  
TOWN OF ROCKVILLE  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Darrell L. Smiley, former Clerk-Treasurer: Penalties, Interest, and Other Charges, pages 4 and 5	\$ 9,778.42	\$ -	\$ 9,778.42
Nonpayment of 1988 Wastewater Revenue Bonds, page 4	<u>696.00</u>	<u>-</u>	<u>696.00</u>
Total Due	<u>\$ 10,474.42</u>	<u>\$ -</u>	<u>\$ 10,474.42</u>

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AFFIDAVIT

STATE OF INDIANA            )  
  )  
Newton COUNTY)

We, Melissa A. Griffin and Misti L. Thornton, CPA, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Clerk-Treasurer, Town of Rockville, Parke County, Indiana, for the period from January 1, 2010 to December 31, 2011, is true and correct to the best of our knowledge and belief.

Melissa A. Griffin

Misti L. Thornton, CPA  
Field Examiners

Subscribed and sworn to before me this 20<sup>th</sup> day of August, 2012.

Kathleen "Katie" M. Hart  
Clerk of the Circuit Court