

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF MARKLEVILLE

MADISON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/23/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mark Evans	01-01-07 to 12-31-14
President of the Town Council	Sally Gustin	01-01-10 to 12-31-10
	John Holmes	01-01-11 to 12-31-11
	Sally Gustin	01-01-12 to 12-31-12
Superintendent of Wastewater Utility	Samuel Weist	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MARKLEVILLE, MADISON COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Markleville (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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, Town Council, and others within the entity 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 1, 2012

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 24,637	\$ 153,234	\$ 145,203	\$ 32,668
Motor Vehicle Highway	3,634	17,711	8,001	13,344
Local Road And Street	7,940	3,520	-	11,460
Food & Beverage Mem. Square	6,310	5	-	6,315
Local Law Continuing Ed	871	2,728	-	3,599
Riverboat	4,899	2,397	-	7,296
Park Donation	4,645	-	-	4,645
Community Building	478	6	6	478
Cable Franchise	7,437	2,822	-	10,259
Rainy Day	5,538	435	5,000	973
Levy Excess	6,493	-	-	6,493
Food & Beverage Town Hall	711	-	-	711
Police Equipment	21,921	18	-	21,939
Cumulative Capital Improvement	7,123	1,121	-	8,244
Sewage Utility Operating	76,996	139,965	152,854	64,107
Sewage Utility Bond And Interest	18,014	25,369	24,585	18,798
Sewage Utility Depreciation	1,585	-	-	1,585
Totals	<u>\$ 199,232</u>	<u>\$ 349,331</u>	<u>\$ 335,649</u>	<u>\$ 212,914</u>

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

TOWN OF MARKLEVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 32,668	\$ 154,060	\$ 131,908	\$ 54,820
Motor Vehicle Highway	13,344	17,632	18,900	12,076
Local Road And Street	11,460	3,402	7,500	7,362
Food & Beverage Mem. Square	6,315	6	-	6,321
Local Law Continuing Ed	3,599	1,938	-	5,537
Riverboat	7,296	2,397	-	9,693
Rainy Day	973	-	-	973
Levy Excess	6,493	-	6,493	-
Food & Beverage Town Hall	711	-	-	711
Fire Protection	-	196,512	132,580	63,932
Police Equipment	21,939	21	-	21,960
Cumulative Capital Improvement	8,244	1,100	-	9,344
Fire Equipment Replacement	-	23,209	7,765	15,444
Park Donation	4,645	-	-	4,645
Community Building	478	-	-	478
Cable Franchise	10,259	3,245	-	13,504
Sewage Utility Operating	64,107	144,050	159,418	48,739
Sewage Utility Bond And Interest	18,798	25,629	25,921	18,506
Sewage Utility Depreciation	1,585	-	-	1,585
Totals	<u>\$ 212,914</u>	<u>\$ 573,201</u>	<u>\$ 490,485</u>	<u>\$ 295,630</u>

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

TOWN OF MARKLEVILLE
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 and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

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 include 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, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise 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.

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,

TOWN OF MARKLEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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 include 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.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF MARKLEVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 MARKLEVILLE
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 any replacement items purchased.

Note 6. Restatements and Reclassifications

For the year ended December 31, 2009, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances by opinion unit.

Fund	Balance as Reported December 31, 2009	Prior Period Adjustments	Balance as Restated January 1, 2010
General	\$ 23,490	\$ 1,147	\$ 24,637
Motor Vehicle Highway	4,261	(627)	3,634
Sewage Utility Operating	78,580	(1,584)	76,996

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 approved by management of the Town. It is presented as intended by the Town.

TOWN OF MARKLEVILLE
 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	Food & Beverage Mem. Square	Local Law Continuing Ed	Riverboat
Cash and investments - beginning	\$ 24,637	\$ 3,634	\$ 7,940	\$ 6,310	\$ 871	\$ 4,899
Receipts:						
Taxes	100,093	-	-	-	-	-
Licenses and permits	-	-	-	-	80	-
Intergovernmental	45,222	7,383	-	-	-	-
Fines and forfeits	-	-	-	-	148	-
Utility fees	-	-	-	-	-	-
Other receipts	7,919	10,328	3,520	5	2,500	2,397
Total receipts	<u>153,234</u>	<u>17,711</u>	<u>3,520</u>	<u>5</u>	<u>2,728</u>	<u>2,397</u>
Disbursements:						
Personal services	22,512	5	-	-	-	-
Supplies	8,493	-	-	-	-	-
Other services and charges	92,774	7,996	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	21,424	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>145,203</u>	<u>8,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8,031</u>	<u>9,710</u>	<u>3,520</u>	<u>5</u>	<u>2,728</u>	<u>2,397</u>
Cash and investments - ending	<u>\$ 32,668</u>	<u>\$ 13,344</u>	<u>\$ 11,460</u>	<u>\$ 6,315</u>	<u>\$ 3,599</u>	<u>\$ 7,296</u>

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

	Park Donation	Community Building	Cable Franchise	Rainy Day	Levy Excess	Food & Beverage Town Hall
Cash and investments - beginning	\$ 4,645	\$ 478	\$ 7,437	\$ 5,538	\$ 6,493	\$ 711
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	6	2,822	435	-	-
Total receipts	-	6	2,822	435	-	-
Disbursements:						
Personal services	-	6	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	5,000	-	-
Total disbursements	-	6	-	5,000	-	-
Excess (deficiency) of receipts over disbursements	-	-	2,822	(4,565)	-	-
Cash and investments - ending	\$ 4,645	\$ 478	\$ 10,259	\$ 973	\$ 6,493	\$ 711

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

	Police Equipment	Cumulative Capital Improvement	Sewage Utility Operating	Sewage Utility Bond And Interest	Sewage Utility Depreciation	Totals
Cash and investments - beginning	\$ 21,921	\$ 7,123	\$ 76,996	\$ 18,014	\$ 1,585	\$ 199,232
Receipts:						
Taxes	-	-	-	-	-	100,093
Licenses and permits	-	-	-	-	-	80
Intergovernmental	-	-	-	-	-	52,605
Fines and forfeits	-	-	-	-	-	148
Utility fees	-	-	1,823	-	-	1,823
Other receipts	18	1,121	138,142	25,369	-	194,582
Total receipts	18	1,121	139,965	25,369	-	349,331
Disbursements:						
Personal services	-	-	-	-	-	22,523
Supplies	-	-	-	-	-	8,493
Other services and charges	-	-	-	-	-	100,770
Debt service - principal and interest	-	-	-	24,585	-	24,585
Capital outlay	-	-	419	-	-	21,843
Utility operating expenses	-	-	95,154	-	-	95,154
Other disbursements	-	-	57,281	-	-	62,281
Total disbursements	-	-	152,854	24,585	-	335,649
Excess (deficiency) of receipts over disbursements	18	1,121	(12,889)	784	-	13,682
Cash and investments - ending	\$ 21,939	\$ 8,244	\$ 64,107	\$ 18,798	\$ 1,585	\$ 212,914

TOWN OF MARKLEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Food & Beverage Mem. Square	Local Law Continuing Ed	Riverboat	Rainy Day
Cash and investments - beginning	\$ 32,668	\$ 13,344	\$ 11,460	\$ 6,315	\$ 3,599	\$ 7,296	\$ 973
Receipts:							
Taxes	84,657	7,200	-	-	-	-	-
Licenses and permits	280	-	-	-	170	-	-
Intergovernmental	44,452	10,432	3,402	-	-	2,397	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	164	-	-	-	1,768	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	24,507	-	-	6	-	-	-
Total receipts	<u>154,060</u>	<u>17,632</u>	<u>3,402</u>	<u>6</u>	<u>1,938</u>	<u>2,397</u>	<u>-</u>
Disbursements:							
Personal services	24,694	40	-	-	-	-	-
Supplies	10,680	-	-	-	-	-	-
Other services and charges	62,395	18,706	7,500	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	12,436	154	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,703	-	-	-	-	-	-
Total disbursements	<u>131,908</u>	<u>18,900</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>22,152</u>	<u>(1,268)</u>	<u>(4,098)</u>	<u>6</u>	<u>1,938</u>	<u>2,397</u>	<u>-</u>
Cash and investments - ending	<u>\$ 54,820</u>	<u>\$ 12,076</u>	<u>\$ 7,362</u>	<u>\$ 6,321</u>	<u>\$ 5,537</u>	<u>\$ 9,693</u>	<u>\$ 973</u>

TOWN OF MARKLEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Levy Excess	Food & Beverage Town Hall	Fire Protection	Police Equipment	Cumulative Capital Improvement	Fire Equipment Replacement	Park Donation
Cash and investments - beginning	\$ 6,493	\$ 711	\$ -	\$ 21,939	\$ 8,244	\$ -	\$ 4,645
Receipts:							
Taxes	-	-	23,000	-	-	4,000	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,100	-	-
Charges for services	-	-	10,655	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	162,857	21	-	19,209	-
Total receipts	-	-	196,512	21	1,100	23,209	-
Disbursements:							
Personal services	-	-	27,481	-	-	-	-
Supplies	-	-	9,386	-	-	-	-
Other services and charges	-	-	29,834	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	20,879	-	-	7,765	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	6,493	-	45,000	-	-	-	-
Total disbursements	6,493	-	132,580	-	-	7,765	-
Excess (deficiency) of receipts over disbursements	(6,493)	-	63,932	21	1,100	15,444	-
Cash and investments - ending	\$ -	\$ 711	\$ 63,932	\$ 21,960	\$ 9,344	\$ 15,444	\$ 4,645

TOWN OF MARKLEVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Community Building	Cable Franchise	Sewage Utility Operating	Sewage Utility Bond And Interest	Sewage Utility Depreciation	Totals
Cash and investments - beginning	\$ 478	\$ 10,259	\$ 64,107	\$ 18,798	\$ 1,585	\$ 212,914
Receipts:						
Taxes	-	-	-	-	-	118,857
Licenses and permits	-	-	-	-	-	450
Intergovernmental	-	-	-	-	-	61,783
Charges for services	-	-	-	-	-	10,655
Fines and forfeits	-	-	-	-	-	1,932
Utility fees	-	-	143,025	-	-	143,025
Other receipts	-	3,245	1,025	25,629	-	236,499
Total receipts	-	3,245	144,050	25,629	-	573,201
Disbursements:						
Personal services	-	-	-	-	-	52,215
Supplies	-	-	-	-	-	20,066
Other services and charges	-	-	-	-	-	118,435
Debt service - principal and interest	-	-	-	25,106	-	25,106
Capital outlay	-	-	-	-	-	41,234
Utility operating expenses	-	-	127,717	-	-	127,717
Other disbursements	-	-	31,701	815	-	105,712
Total disbursements	-	-	159,418	25,921	-	490,485
Excess (deficiency) of receipts over disbursements	-	3,245	(15,368)	(292)	-	82,716
Cash and investments - ending	\$ 478	\$ 13,504	\$ 48,739	\$ 18,506	\$ 1,585	\$ 295,630

TOWN OF MARKLEVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 23,032	\$ -
Wastewater	484	11,152
Totals	\$ 23,516	\$ 11,152

TOWN OF MARKLEVILLE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater: Revenue Bonds	Sewer Construction	<u>\$ 242,000</u>	<u>\$ 24,589</u>

TOWN OF MARKLEVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 498,000
Infrastructure	110,044
Buildings	408,596
Machinery, equipment and vehicles	18,000
Total governmental activities	1,034,640
Wastewater:	
Infrastructure	650,869
Total capital assets	\$ 1,685,509

TOWN OF MARKLEVILLE
EXAMINATION RESULTS AND COMMENTS

DELINQUENT WASTEWATER ACCOUNTS

In 2010, delinquent wastewater 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. In 2011, only one of the three delinquent accounts tested had a lien recorded with the County Recorder and certified to the County Auditor. A similar comment appeared in prior Reports, most recently B37267.

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

"(a) An officer described in subsection (b) may defer enforcing the collection of unpaid fees and penalties assessed under this chapter until the unpaid fees and penalties have been due and unpaid for at least ninety (90) days.

(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; and
 - (C) the amount of the delinquent fees, together with the penalty; or
- (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. . . ."

DELINQUENT EMPLOYEE WASTEWATER ACCOUNT

An employee of the Town is delinquent in payment of his wastewater account. The last payment in 2011 was on May 5, 2011, at which time he paid off the balance of his account at that time. However, a payment has not been made since that date and the account balance as of December 2011 was \$366.70. A lien was not filed with the County Recorder or certified to the County Auditor. A similar comment appeared in prior Reports, most recently B37267.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MARKLEVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

FEES

The current wastewater user fees have not been properly authorized through the passage of an ordinance. A letter from the Town Council dated January 20, 2001, was sent to wastewater customers notifying them of the user fee increase.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COMPENSATION AND BENEFITS

An employee received \$1,500 in payments for janitorial services performed for 2010 and 2011 which were not included in a salary ordinance or resolution.

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)

OFFICIAL BOND

The 2010 official bond for Mark Evans, Clerk-Treasurer, was not for the proper amount. The minimum coverage as of July 1, 2009, for an official bond was to be \$30,000. Mr. Evans was bonded for the amount of \$20,000. A rider increasing the bond to \$30,000 of coverage was obtained becoming effective on February 24, 2011.

The 2011 official bond for Mark Evans, Clerk-Treasurer, was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-18 states in part:

Individual surety bonds for city, town, county, or township officers and employees; blanket bonds and crime policies; amount; review of amount; form Sec. 18.

(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.

TOWN OF MARKLEVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

(6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage 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 of annual coverage for the officer or employee."

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

TOWN OF MARKLEVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 1, 2012, with Mark Evans, Clerk-Treasurer, and Sally Gustin, President of the Town Council. The officials concurred with our findings.