

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MARSHALL

PARKE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
11/10/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Examination Results and Comments:	
Annual Financial Reports	6
Bank Account Reconciliations - Debt Service Funds.....	6
Posting Errors	6
Exit Conference.....	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jennifer L. Green	01-01-12 to 12-31-19
President of the Town Council	Larry Harmon Kevin Stewart	01-01-12 to 12-31-13 01-01-14 to 12-31-16



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

TO: THE OFFICIALS OF THE TOWN OF MARSHALL, PARKE COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Marshall (Town), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Reports of the Town, which provides our opinion on the Town's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

September 26, 2016

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF MARSHALL

CLERK-TREASURER
TOWN OF MARSHALL
EXAMINATION RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORTS

The Annual Financial Reports filed for the years 2012, 2013, 2014, and 2015 did not reflect the financial activity of the Town. The Water Bond/Interest Sinking fund and the Water Debt Service fund were not reported on the Annual Financial Reports. Examination adjustments were proposed, accepted by management, and made to the financial statements presented for examination.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS - DEBT SERVICE FUNDS

The Water Bond/Interest Sinking and the Water Debt Service funds were not posted to the ledger or reconciled to the depository monthly.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

POSTING ERRORS

State distributions received for cigarette taxes were erroneously recorded as receipts in the General fund instead of the Cumulative Capl Imprv Cigarette Tax fund. The amounts incorrectly recorded were \$859, \$857, and \$814 in 2012, 2014, and 2015, respectively.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF MARSHALL
EXIT CONFERENCE

The contents of this report were discussed on September 26, 2016, with Jennifer L. Green, Clerk-Treasurer, and Kevin Stewart, President of the Town Council.