

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MARKLEVILLE

MADISON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
03/23/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mark Evans	01-01-12 to 12-31-18
President of the Town Council	Sally Gustin	01-01-12 to 12-31-13
	Landis Harper	01-01-14 to 12-31-15
	Daniel Roseberry	01-01-16 to 12-31-18
Superintendent of Wastewater Utility	Samuel Weist	01-01-12 to 04-13-15
	(Vacant)	04-14-15 to 05-31-16
	Doug Tupling	06-01-16 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our examination report of the Town of Markleville (Town), for the period from January 1, 2012 to December 31, 2016. 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 Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at [www.in.gov/sboa/](http://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

February 8, 2018

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CLERK-TREASURER  
TOWN OF MARKLEVILLE

CLERK-TREASURER  
TOWN OF MARKLEVILLE  
EXAMINATION RESULTS AND COMMENTS

**COMPENSATION AND BENEFITS**

The same comment also appeared in prior Report B41253.

The following compensation errors were discovered during the examination period:

*Compensation not included in a salary ordinance:*

- 2012: \$18,574 paid to four fire department employees
- 2013: \$20,214 paid to five fire department employees
- 2014: \$16,314 paid to one fire department employee  
\$2,700 paid to the building inspector  
\$1,500 additional compensation paid to the Sewer Superintendent
- 2015: \$29,752 paid to five fire department employee  
\$3,600 paid to the Building Inspector
- 2016: \$5,250 paid to temporary Town Marshal

*Compensation not included on Internal Revenue Service (IRS)  
Wage and Tax Statement Form W-2 (Form W-2):*

- 2012: \$840 paid to a councilman
- 2014: \$300 paid to the Building Inspector

*Compensation incorrectly reported on IRS Form W-2*

- 2014: Compensation of \$850 for one councilman was incorrectly included on the Clerk-Treasurer's W-2
- 2015: Compensation was overstated by \$83 for the Sewer Superintendent
- 2016: Compensation was overstated by \$300 for the Building Inspector

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 law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

**APPROPRIATIONS**

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	2013 Excess Amount Expended	2014 Excess Amount Expended	2015 Excess Amount Expended	2016 Excess Amount Expended
General	\$ 55,317	\$ 14,708	\$ 77,947	\$ 11,569
Motor Vehicle Highway	-	11,248	5,272	-

Indiana Code 36-5-4-2 states in part: ". . . town monies may be disbursed only after an appropriation made by ordinance of the town legislative body and recorded in a book kept for that purpose by the legislative body. Each appropriation must be made from the fund against which the expenses arose."

# TOWN OF MARKLEVILLE

Madison County, Indiana

P.O. Box 45  
Markleville, IN 46056

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## OFFICIAL RESPONSE

Period Examined: January 1, 2012 to December 31, 2016

Date of Conference: February 8, 2018

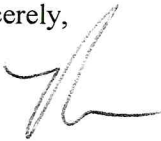
February 8, 2018

State Board of Account  
302 W. Washington St.  
Room E 418  
Indianapolis, IN 46204-2765

In official response to Town of Markleville Examination Results and Comments, in regards to Compensation and Benefits corrective action has already occurred during fiscal year of 2017. Salary Ordinances are updated to support any employee paid by Town of Markleville for any amount is established within a salary ordinance. A new payroll process beginning in January 2017 also has allowed the commented errors to not be duplicated. Any outside contractor will be asked to sign a labor contract for future purposes. On an ongoing basis, these manual errors will not be a part of any future audit findings.

In official response in regards to Appropriations, any future excess expenditures over budget appropriations will be submitted to the Department of Local Government Finance for their approval, where in audit years this was not done.

Sincerely,



Mark Evans  
Clerk-Treasurer  
Town of Markleville

CLERK-TREASURER  
TOWN OF MARKLEVILLE  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2018, with Mark Evans, Clerk-Treasurer; Daniel Roseberry, President of the Town Council; and Floyd Fesmire, Town Council member.