

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MEDORA

JACKSON COUNTY, INDIANA

January 1, 2016 to December 31, 2018



FILED
02/19/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Audit Results and Comments:	
Salary Overpayment	6
Official Bond Coverage	6
Exit Conference	7
Town Council:	
Audit Results and Comments:	
Salary Overpayments.....	10
Official Bond Coverage	10
Exit Conference	11
Summary of Charges	12

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Betty M. Campbell	01-01-16 to 12-31-19
President of the Town Council	Robert K. Thompson	01-01-16 to 12-31-19
Superintendent of Utilities	Steven L. Ingle	01-01-16 to 12-31-19



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 MEDORA, JACKSON COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Medora (Town), for the period from January 1, 2016 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Audit Report 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 Audit 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 21, 2019

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF MEDORA

CLERK-TREASURER
TOWN OF MEDORA
AUDIT RESULTS AND COMMENTS

SALARY OVERPAYMENT

Condition and Context

Minutes of the April 9, 2018 Town Council meeting, indicated that the Town Council approved salary increases for the Town employees and for the Town's elected officials for 2018. There was no salary ordinance presented documenting the salaries approved in the Town Council minutes.

Indiana statute does not permit the compensation of an elected town officer to be changed in the year for which it is fixed. The last salary ordinance approving the compensation of the Town's elected officials was Ordinance 2016-5 covering the calendar year 2017. Since the compensation of an elected official cannot be changed in the year for which is fixed, the compensation of the Town's elected officials for 2018 would resort to the salaries approved in Ordinance 2016-5. As a result, the Clerk-Treasurer was overpaid during 2018 in the amount of \$2,999.96.

Criteria

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)

Indiana Code 36-5-3-2 states in part:

"(a) As used in this section, 'compensation' means the total of all money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid.

(b) The town legislative body shall, by ordinance, fix the compensation of its own members
...

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year. . . ."

Betty M. Campbell (Campbell) Clerk-Treasurer, was requested to repay the 2018 salary overpayment that was paid by the Town, Water Utility, and Wastewater Utility in the amount of \$2,999.96. Payment was received from Campbell on February 3, 2020. (See Summary of Charges, page 12)

OFFICIAL BOND COVERAGE

The Town obtained public official bond coverage for Campbell, through Western Surety Company for the term January 1, 2018 to December 31, 2018, in the amount of \$30,000.

CLERK-TREASURER
TOWN OF MEDORA
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Betty M. Campbell, Clerk-Treasurer; Robert K. Thompson, President of the Town Council; Sharon Bowers, Town Council member; James L. Davers, Town Council member, and Jeffrey Lorenzo, of Lorenzo Bevers Braman & Connell, Attorneys-at-Law.

(This page intentionally left blank.)

TOWN COUNCIL
TOWN OF MEDORA

TOWN COUNCIL
TOWN OF MEDORA
AUDIT RESULTS AND COMMENTS

SALARY OVERPAYMENTS

Condition and Context

Minutes of the April 9, 2018 Town Council meeting, indicated that the Town Council approved salary increases for the Town employees and for the Town's elected officials for 2018. There was no salary ordinance presented documenting the salaries approved in the Town Council minutes.

Indiana statute does not permit the compensation of an elected town officer to be changed in the year for which it is fixed. The last salary ordinance approving the compensation of the Town's elected officials was Ordinance 2016-5 covering the calendar year 2017. Since the compensation of an elected official cannot be changed in the year for which is fixed, the compensation of the Town's elected officials for 2018 would resort to the salaries approved in Ordinance 2016-5. As a result, the members of the Town Council were over paid during 2018 in the amount of \$624 each.

Criteria

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)

Indiana Code 36-5-3-2 states in part:

"(a) As used in this section, 'compensation' means the total of all money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid.

(b) The town legislative body shall, by ordinance, fix the compensation of its own members
...

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year. . . ."

Robert K. Thompson, President of the Town Council, was requested to repay the 2018 salary overpayment that was paid by the Town, Water Utility, and Wastewater Utility in the amount of \$624. Payment was received from Thompson on February 3, 2020. (See Summary of Charges, page 12)

Sharon Bowers, Town Council member, was requested to repay the 2018 salary overpayment that was paid by the Town, Water Utility, and Wastewater Utility in the amount of \$624. Payment was received from Bowers on February 3, 2020. (See Summary of Charges, page 12)

James L. Davers, Town Council member, was requested to repay the 2018 salary overpayment that was paid by the Town, Water Utility, and Wastewater Utility in the amount of \$624. Payment was received from Davers on February 3, 2020. (See Summary of Charges, page 12)

OFFICIAL BOND COVERAGE

The Town Council was covered by a commercial crime policy for the period January 2, 2018 to January 2, 2019, with a limit of \$25,000 per occurrence.

TOWN COUNCIL
TOWN OF MEDORA
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Betty M. Campbell, Clerk-Treasurer; Robert K. Thompson, President of the Town Council; Sharon Bowers, Town Council member; James L. Davers, Town Council member; and Jeffrey Lorenzo, of Lorenzo Bevers Braman & Connell, Attorneys-at-Law.

TOWN OF MEDORA
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Betty M. Campbell, Clerk-Treasurer Salary Overpayment, page 6	<u>\$ 2,999.96</u>	<u>\$ 2,999.96</u>	<u>\$ -</u>
Robert K. Thompson, President of the Town Council Salary Overpayments, page 10	<u>\$ 624.00</u>	<u>\$ 624.00</u>	<u>\$ -</u>
Sharon Bowers, Town Council member Salary Overpayments, page 10	<u>\$ 624.00</u>	<u>\$ 624.00</u>	<u>\$ -</u>
James L. Davers, Town Council member Salary Overpayments, page 10	<u>\$ 624.00</u>	<u>\$ 624.00</u>	<u>\$ -</u>

This report was forwarded to the Office of the Attorney General.