

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF AVILLA

NOBLE COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
10/26/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy Fischer (Deceased) Rita Grocock	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Paul Shepherd	01-01-11 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF AVILLA, NOBLE COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Avilla (Town), for the period from January 1, 2011 to December 31, 2014. 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/.

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

October 22, 2015

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CLERK-TREASURER
TOWN OF AVILLA

CLERK-TREASURER
TOWN OF AVILLA
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest charges of \$3,971.99 and \$739.11 were paid by Nancy Fischer (deceased), former Clerk-Treasurer, to the Indiana Department of Revenue for delinquent utility receipts tax and delinquent sales tax, respectively for the year 2011.

A similar comment appeared in prior Report B39743.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

Nancy Fischer (deceased), former Clerk-Treasurer, was requested to reimburse \$3,971.99 for delinquent utility receipts tax and \$739.11 for delinquent sales tax. (See Summary of Charges, page 9)

BANK ACCOUNT RECONCILIATIONS

The reconciliation of the fund balances to the bank account balances performed by the former Clerk-Treasurer at December 31, 2011, indicated a variance of \$3,509.63. The current Clerk-Treasurer reconciled all months in 2012, 2013, and 2014, except for the variance that existed at December 31, 2011. We advised officials on an adjusting entry to clear this difference from their ledgers.

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."

HYDRANT RENTAL

As stated in prior Report B39743, the Town owed the Water Utility \$4,776.75 for hydrant rental for 2009 and 2010. We did not find any payments during the prior or current examination for this amount due. We also found that the former Clerk-Treasurer did not use the most current hydrant count and rate ordinance when computing the 2011 hydrant rental. Therefore, the Town owes the Water Utility an additional \$4,765 for the year 2011. The total due the Water Utility is \$9,541.75.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

MOTOR VEHICLE HIGHWAY FUND DISBURSEMENTS

As stated in prior Reports B35047 and B39743, the Town paid \$18,122.50 for hydrant rental for 2007 and 2008 from the Motor Vehicle Highway fund. Since hydrant rental is not an approved use of the Motor Vehicle Highway fund, the General fund should pay \$18,122.50 to the Motor Vehicle Highway fund for reimbursement of those expenses. These payments were not made during the prior or current examination periods.

CLERK-TREASURER
TOWN OF AVILLA
EXIT CONFERENCE

The contents of this report were discussed on October 22, 2015, with Rita Grocock, Clerk-Treasurer, and Paul Shepherd, President of the Town Council.

CLERK-TREASURER
TOWN OF AVILLA
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Nancy Fischer (deceased), former Clerk-Treasurer:			
Penalties, Interest, and Other Charges, page 6	\$ 3,971.99	\$ -	\$ 3,971.99
Penalties, Interest, and Other Charges, page 6	<u>739.11</u>	<u>-</u>	<u>739.11</u>
Totals	<u>\$ 4,711.10</u>	<u>\$ -</u>	<u>\$ 4,711.10</u>

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

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AFFIDAVIT

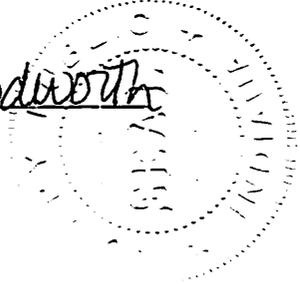
STATE OF INDIANA)
)
Allen COUNTY)

We Brigitte Godwin, CPA, and Kelly Christen, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Town of Avilla, Noble County, Indiana, for the period from January 1, 2011 to December 31, 2014, is true and correct to the best of our knowledge and belief.

Brigitte Godwin, CPA
Kelly Christen
Field Examiners

Subscribed and sworn to before me this 11 day of April, 2016

Melissa Woodworth
Notary Public



My Commission Expires: 01.03.2024
County of Residence: Wells