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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FRANCESVILLE

PULASKI COUNTY, INDIANA

January 1, 2011 to December 31, 2014

FILED
12/10/2015

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SCHEDULE OF OFFICIALS

Office	Official	Term
Clerk-Treasurer	Marla Dawson	01-01-08 to 03-14-12
	Linda Bennett	03-15-12 to 12-31-15
President of the Town Council	Steve Sewell	01-01-11 to 08-15-11
	(Vacant)	08-16-11 to 09-05-11
	Pam Antrim	09-06-11 to 12-31-11
	Andy Durham	01-01-12 to 12-31-15

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF FRANCESVILLE, PULASKI COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Francesville (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 with this report, was not verified for accuracy.

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

September 15, 2015

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CLERK-TREASURER
TOWN OF FRANCESVILLE

CLERK-TREASURER
TOWN OF FRANCESVILLE
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

During our examination period, depository reconciliations of the fund balances to the bank account balances were conducted and were materially correct except for the Utility Clearing fund and the investment accounts. Reconciliations were not performed for the Utility Clearing fund or the investment accounts. At December 31, 2014, a cursory reconciliation revealed that the bank balance of the Utility Clearing account exceeded the fund balance by $591. Monthly reconciliations have also not been completed for these accounts during 2015 up to the date of this report.

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."

SUPPORTING DOCUMENTATION

The Town purchased a computer with the credit card. The accounts payable voucher filed by the Town in order to pay the credit card bill, did not have the proper supporting documentation attached. The only documentation attached was the credit card statement, not an actual invoice for the purchase of the computer.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

RECEIPT COMPOSITION

The receipts and deposit slips prepared by the Town did not properly identify the composition of the money being received and deposited. Receipts issued by the Town identified all collections as checks. Deposit slips showed a total deposited by fund, but did not identify what portion of the deposit was cash or check. When we reviewed the utility cash transaction summary report, it was noted that not all collections were actually received as checks, but rather a combination of cash and checks. As a result, we were unable to determine whether receipts were deposited intact.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

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

Fund	Years	Excess Amount Expended
CCIF	2012	$ 572
Motor Vehicle Highway	2013	35,986
Local Road And Street	2013	346
General	2014	8,871

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CLERK-TREASURER
TOWN OF FRANCESVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2015, with Linda Bennett, Clerk-Treasurer, and Andy Durham, President of the Town Council.

TOWN COUNCIL
TOWN OF FRANCESVILLE

TRAVEL AND CREDIT CARD POLICIES

The Town Council has not approved formal policies in regards to travel reimbursements and credit card expenditures.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes.

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.

2. Issuance and use should be handled by an official or employee designated by the board.

3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.

4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.

6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL
TOWN OF FRANCESVILLE
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