

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LARWILL

WHITLEY COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
02/12/2016

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------|------------------|----------------------|
| Clerk-Treasurer | Renee S. Sills | 01-01-08 to 12-31-15 |
| President of the Town Council | Richard L. Hobbs | 01-01-11 to 12-31-15 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE TOWN OF LARWILL, WHITLEY COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Larwill (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 14, 2015

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CLERK-TREASURER
TOWN OF LARWILL

CLERK-TREASURER
TOWN OF LARWILL
EXAMINATION RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

The Annual Financial Report for 2014 was not filed electronically until March 17, 2015, which was 16 days after the due date.

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."

OFFICIAL BOND

The Clerk-Treasurer's Surety Bond was insufficient per the Indiana Code. The bond coverage was \$10,000 and should have been \$30,000.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following . . . town, . . . officers and employees shall file an individual surety bond: . . .

(2) Town judges and clerk-treasurers. . . .

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

(1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

(2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

CLERK-TREASURER
TOWN OF LARWILL
EXAMINATION RESULTS AND COMMENTS
(Continued)

PREPAID FUEL PURCHASE

The Town entered into a Pre-Pay Contract with a vendor that supplies LP gas to the Town. The Town signed the contract in August 2014 and paid the vendor \$1,116 on August 27, 2014. The contract is for the period October 1, 2014 to April 30, 2015. The contract includes the following wording "Purchaser must take delivery of contract gallons (600 gallons). If purchaser does not take delivery of contract gallons by the due date of April 30, 2015, the purchaser will forfeit ownership of undelivered contract gallons to seller."

Indiana Code 5-11-10-1.6(c) states: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . . (2) the invoice or bill is approved by the officer or person receiving the goods and services . . ."

Compensation and any other payments for goods or services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CERTIFIED REPORT FILED AFTER DUE DATE

The Town did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2012. The report was filed on March 16, 2013, which was 44 days past the due date.

Indiana Code 5-11-13-1 states in part:

"(a) Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents. . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . .

(b) The department of local government finance may not approve the budget of a county, city, town, or township or a supplemental appropriation for a county, city, town, or township until the county, city, town, or township files an annual report under subsection (a) for the preceding calendar year."

CLERK-TREASURER
TOWN OF LARWILL
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2015, with Renee S. Sills, Clerk-Treasurer.

TOWN COUNCIL
TOWN OF LARWILL

TOWN COUNCIL
TOWN OF LARWILL
EXAMINATION RESULT AND COMMENT

PREPAID FUEL PURCHASE

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TOWN COUNCIL
TOWN OF LARWILL
EXIT CONFERENCE

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