

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MILLTOWN

CRAWFORD COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
03/29/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Evanelle Goss	01-01-08 to 12-31-11
	Susan Mills	01-01-12 to 01-31-15
	J. Shelby Young	02-01-15 to 12-31-15
President of the Town Council	Curt Hudson	01-01-13 to 12-31-15
Town Manager	James Pallor	01-01-13 to 05-12-14
	Justin Barnes	05-13-14 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF THE TOWN OF MILLTOWN, CRAWFORD COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Milltown (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/](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

December 14, 2015

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CLERK-TREASURER  
TOWN OF MILLTOWN

CLERK-TREASURER  
TOWN OF MILLTOWN  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31:

Fund	Years	Amount Overdrawn
Trash	2012	\$ 47
Police K-9 Unit	2011	35
Payroll	2011	69,034
Payroll	2012	58,962
Payroll	2013	62,618
Payroll	2014	59,371
General OPO	2012	9
General OPO	2013	237

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**ANNUAL FINANCIAL REPORT**

The Annual Financial Report for 2011 contained a number of errors and did not properly reflect the financial activity of the Town of Milltown. The receipts reported were \$99,905 and \$2,577 less than the actual receipts for 2011 and 2012, respectfully. Disbursements were understated in 2011 by \$3,708. Several of these errors were due to improper reporting of investments. Interest on investments was added to the principal of the investment each month and this increase was not reported in the Town's records.

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."

**DEPOSITS**

Six of ten receipts tested were not deposited timely. The delays in the deposits ranged from 9 to 25 days after the receipt of the money.

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

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

***DELINQUENT WASTEWATER ACCOUNTS***

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(c) Except as provided in subsection (m), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
  - (B) A description of the premises, as shown by the records of the county auditor.
  - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(d) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(f) . . . Using the lists and instruments prepared under subsection (c) and recorded under subsection (d), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (d), certify to the county auditor a list of the unpaid liens for collection with the next May installment of property taxes."

CLERK-TREASURER  
TOWN OF MILLTOWN  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2015, with J. Shelby Young, Clerk-Treasurer; Susan Mills, former Clerk-Treasurer; and Jerry M. Garrett, Council member.

TOWN MARSHAL  
TOWN OF MILLTOWN

TOWN MARSHAL  
TOWN OF MILLTOWN  
EXAMINATION RESULT AND COMMENT

***DEPOSITS***

Receipts and fees collected by the Police Department were remitted to the Clerk-Treasurer less frequently than once a week. Seven receipts tested were deposited from 15 to 59 days after the Police Department had collected the money.

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

TOWN MARSHAL  
TOWN OF MILLTOWN  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2015, with J. Shelby Young, Clerk-Treasurer; Susan Mills, former Clerk-Treasurer; Jerry M. Garrett, Council member; and Ray Saylor, Town Marshal.