

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF TROY

PERRY COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
10/31/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Elizabeth S. Linne	01-01-12 to 12-31-15
	Jane Efinger-Hayden	01-01-16 to 12-31-19
President of the Town Council	Gary Palmer	01-01-12 to 04-16-15
	Terry Weyer (interim)	04-17-15 to 05-12-15
	Porfirio "Jay" Oliva (interim)	05-13-15 to 07-14-15
	Kevin Herp	07-15-15 to 06-15-16
	Linda Crawford (interim)	06-16-16 to 07-12-16
	Linda Crawford	07-13-16 to 12-31-16
President of the Utility Board	Roger Fella	01-01-12 to 08-14-13*

*The Utility Board was abolished by Ordinance 111-B on August 14, 2013.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF TROY, PERRY COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Troy (Town), for the period from January 1, 2012 to December 31, 2015. 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

September 15, 2016

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TOWN COUNCIL
TOWN OF TROY

TOWN COUNCIL
TOWN OF TROY
EXAMINATION RESULTS AND COMMENTS

TRAVEL POLICY

The Town paid for travel expenses without a written travel policy adopted by Council.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BOND

The amount of the official bond for the Clerk-Treasurer was \$15,000 each year during the examination period.

Indiana Code 5-4-1-18(c) states:

"Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . town clerk-treasurers, . . . 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. . . ."

TOWN COUNCIL
TOWN OF TROY
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2016, with Sharman Jarboe, Town Council member.

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CLERK-TREASURER
TOWN OF TROY

CLERK-TREASURER
TOWN OF TROY
EXAMINATION RESULTS AND COMMENTS

COLLECTIONS OF MOVING TRAFFIC VIOLATIONS

Ordinance No. 2010-4 established fines for violation of speed limits within the Town limits. The Town had not been established as a traffic violations bureau, yet collected fines for moving traffic violations. The fines were collected by the Clerk-Treasurer.

Fines collected during the examination period were as follows:

<u>Years</u>	
2012	\$ 2,415
2013	1,375
2014	<u>215</u>
Total	<u>\$ 4,005</u>

Indiana Code 36-1-6-3(c) states: "An ordinance defining a moving traffic violation may not be enforced under IC 33-36 and must be enforced in accordance with IC 34-28-5."

The accounts of each public official and public office should reflect the proper treatment of fines collected for moving traffic violations as required by Indiana Code § 36-1-6-3(c), Indiana Code Ch. 34-28-5, and this Directive. Failure to do so will result in a civil action against those public officials who are responsible for the improper enforcement and collection of fines for moving traffic violations as allowable by law. (State Examiner Directive 2015-1)

PENALTIES, INTEREST, AND OTHER CHARGES

The Town paid penalties, interest, and other charges to the Tell City Sewage Department in the amount of \$443 because the Town did not remit the payment on a timely basis.

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

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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)

TRANSFER OF FUNDS

For the years 2012 and 2013, Ordinance Nos. 09-02-2011 and 10-2012-02, respectively, authorized the transfer of \$40,000 from the Electric Cash Reserve fund to the General Fund for payment in lieu of taxes. However, only \$34,564 was actually transferred each year.

For the years 2014 and 2015, transfers of \$34,564 and \$40,000, respectively, were made from the Electric Operating fund to the General Fund for payment in lieu of taxes. For the years 2012, 2013, 2014, and 2015, transfers of \$636 and \$4,800 were made from the Water Operating Fund and Sewer Operating Fund, respectively, to the General Fund for payment in lieu of taxes.

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)

Indiana Code 8-1.5-3-11(d) states in part: ". . . transfers may not be made from any utility funds to the general fund except from the cash reserve fund."

Establishment of a Cash Reserve Fund permits transfer of surplus utility funds to the city or town general fund. After appropriation, such transferred funds may then be used for any legal general fund purpose. (Accounting and Uniform Compliance Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF TROY
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2016, with Jane Efinger-Hayden, Clerk-Treasurer, and Elizabeth S. Linne, Deputy Clerk-Treasurer.