

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

OTTER CREEK TOWNSHIP

VIGO COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
05/24/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert D. Salmon	01-01-11 to 12-31-18
Chairman of the Township Board	Betty Easthom	01-01-12 to 12-31-14
	Samuel Plant	01-01-15 to 12-31-16
	Betty Easthom	01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OTTER CREEK TOWNSHIP, VIGO COUNTY, INDIANA

This report is supplemental to our examination report of Otter Creek Township (Township), Vigo County, 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 Township. It should be read in conjunction with our Financial Statements Examination Report of the Township, which provides our opinion on the Township'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, were not verified for accuracy.

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

April 5, 2017

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSITORY RECONCILEMENT

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation at December 31, 2014, did not balance with the ledger. The bank account balances were more than the ledger balances.

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."

ADVANCE PAYMENTS

Compensation was paid to the Township Board prior to the end of the year.

Compensation and any other payments for goods and services must not be paid in advance of receipts of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

NEPOTISM CERTIFICATION

Each elected officer did not annually certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, and 2014.

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

APPROVAL OF SALARIES

The Township Board approval of salaries was not presented for examination for 2012.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; . . .

of all officers and employees of the township."

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The official bond presented for examination was written for a Treasurer position instead of the elected Trustee position.

The Trustee did not record a copy of his official bond in the County Recorder's office for 2012, 2013, 2014, and 2015.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. . . ."

APPROPRIATIONS

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	\$ 3,343.00
2013	Cumulative Fire	2,920.72
2014	FIRE FIGHTING FUND	3,809.00

Indiana Code 6-1.1.18-4 states: "Except as otherwise provided in this chapter, 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."

TOWNSHIP ASSISTANCE STANDARDS

The Township Assistance Standards were not presented for review for 2012, 2013, 2014, and 2015.

Indiana Code 12-20-5.5-1(b) states:

"The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (4) published in a single written document, including addenda attached to the document;
and
- (5) posted in a place prominently visible to the public in all offices of the township trustee
where township assistance applications are taken or processed."

OVERDRAWN CASH BALANCE

The financial statements presented in this report included the following fund with an overdrawn cash balance at December 31, 2015:

<u>Fund</u>	<u>Year</u>	<u>Amount Overdrawn</u>
FIRE DEBT SERVICE FUND	2015	\$ <u>4,083</u>

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 unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OTTER CREEK TOWNSHIP, VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 5, 2017, with Robert D. Salmon, Trustee, and Richard J. Shagley II, Township Attorney.