

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FAIRVIEW PARK

VERMILLION 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>
Clerk-Treasurer	Teresa Baker Milisa Carty	01-01-12 to 08-30-15 08-31-15 to 12-30-19
President of the Town Council	Larry Natalie	01-01-12 to 12-31-17
Superintendent of Utilities	Susan Crossley	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF FAIRVIEW PARK, VERMILLION COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Fairview Park (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

March 23, 2017

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CLERK-TREASURER
TOWN OF FAIRVIEW PARK

CLERK-TREASURER
TOWN OF FAIRVIEW PARK
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for all months during the examination period. The Clerk-Treasurer compiled a list of outstanding checks each month but did not compare the adjusted bank balance to the fund balances in the ledger.

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."

DEPOSITS

Receipts were deposited later than the next business day for 44 percent of Town receipts tested.

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 . . ."

PAYROLL DEDUCTIONS

The records of the Town and Utilities did not support the amount of payroll taxes paid to the Internal Revenue Service (IRS) and Indiana Department of Revenue. The total wages shown on IRS Form 941 - Employer's Quarterly Federal Return Tax Return (Form 941) did not agree to the total wages on IRS Form W-2 - Wage and Tax Statement. Additionally, the Form 941 for the second quarter of 2012 was completed incorrectly.

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

The Town and Utilities did not use the following payroll related prescribed forms:

- Payroll Schedule and Voucher Form No. 99
- Employee's Service Record Form No. 99A
- Employee's Earnings Record 99B

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Officials and employees are required to use prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OVERDRAWN CASH BALANCES

The financial statements presented for examination included the following funds with overdrawn cash balances at December 31:

Fund	Years	Amount Overdrawn
Wastewater Utility-Operating	2014	\$ 18,346
Wastewater Utility-Operating	2015	16,735

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 Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF FAIRVIEW PARK
EXIT CONFERENCE

The contents of this report were discussed on March 23, 2017, with Milisa Carty, Clerk-Treasurer; Mary Kay Frazier, Utility Clerk; and Larry Natalie, President of the Town Council.