

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
TRI-TOWNSHIP FIRE PROTECTION DISTRICT  
CLARK COUNTY, INDIANA  
January 1, 2011 to December 31, 2016



**FILED**  
01/16/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer/Fiscal Officer	William R. Collier Jerry Adams Tim C. Conlen	01-01-11 to 06-10-14 06-11-14 to 01-17-17 01-18-17 to 12-31-17
President of the Board	Tim C. Conlen Dale P. Cooke	01-01-11 to 09-07-15 09-08-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TRI-TOWNSHIP FIRE PROTECTION  
DISTRICT, CLARK COUNTY, INDIANA

This report is supplemental to our examination report of the Tri-Township Fire Protection District (District), for the period from January 1, 2011 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statements Examination Report of the District, which provides our opinion on the District'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

November 28, 2017

TRI-TOWNSHIP FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

**APPROPRIATIONS**

A similar comment was made in prior Report B40027.

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2012	\$ 130,727
	2015	100,025
	2016	84,991
Cumulative Firefighting	2012	99,385
	2016	14,005

Indiana Code 6-1.1-18-4 states in part: ". . . 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."

**ERRORS ON CLAIMS**

A test of claims identified the following deficiencies with an error rate greater than 10 percent:

1. Of the claims tested, 20 percent did not have adequate supporting documentation. This error resulted in \$115,576 of expenditures which did not have adequate supporting documentation.

Date	Amount	Payee	Description of Purchase (if any)
01-09-13	\$ 115,275	New Washington State Bank	Debt Payment
12-13-16	300	Jerry Adams	Compensation for attending meetings
Totals	<u>\$ 115,575</u>		

2. Of the claims tested, 100 percent did not have evidence to support receipt of goods or services. This error resulted in \$245,989 expenditures which did not have evidence to support receipt of goods or services.
3. Of the claims tested, 20 percent did not have proper approval by the Fiscal Officer. This error resulted in \$195,276 of expenditures which did not have proper approval by the Fiscal Officer.

Indiana Code 5-11-10-1(b) states:

"No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law."

TRI-TOWNSHIP FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-11-10-2 states in part:

"(a) Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. . . .

(d) The form prescribed under this section shall be prepared by or filed with the disbursing officer of the political subdivision, together with:

(1) the supporting claims if payment is made under section 1 of this chapter; . . .

All such documents shall be carefully preserved by the disbursing officer as a part of the official records of the office. . . ."

**COMPENSATION AND BENEFITS**

The following deficiencies were noted:

1. The District did not use the prescribed Form 99, Payroll Schedule and Voucher; nor has the District requested approval for an alternative form in lieu of the prescribed form. Payroll was made using General Claim Form 354.
2. A contract was presented dated 2004 in which the compensation to be paid to the former Treasurer was to be \$3,900 annually. After he resigned in June 2014, the new Treasurer was paid at the same rate; however, no approval of this was recorded in the minutes and no contract was executed with the new Treasurer.
3. The Treasurer was paid a salary as a Fiscal Officer and also the statutory amount allowed per day as a District Board member. A record showing which hours were worked each day for each position was not presented for examination.
4. During the examination period, the compensation and benefits paid to the Administrative Assistant was not included on a salary ordinance, resolution, or salary schedule adopted by the District Board.

Records indicated that the Administrative Assistant's pay was set at \$100 per month by a District Board motion on December 9, 2008. No approved change was noted in the District Board minutes after that; however, in 2011 she was paid a bonus of \$250, in 2012 she was paid \$150 per month, in 2013 she was paid \$200 per month, and in 2014 she was paid \$300 per month. The District Board minutes of April 8, 2014, approved an additional pay of \$100 per month to record minutes. The District Board minutes of March 10, 2015, approved paying the Administrative Assistant at an hourly rate which began in July of 2015.

5. There were no detail records of the hours worked by the Administrative Assistant during the period of July 2015 to December 2016.
6. The District failed to withhold federal, state, and local taxes on some of the compensation paid to the Administrative Assistant. Additionally, not all of the compensation was included in the amount reported on the W-2s. These amounts included:

TRI-TOWNSHIP FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- a. A bonus of \$250 received in 2011.
  - b. Compensation received to record minutes in the amounts of \$1,000, \$1,300, and \$1,200, for the years 2014, 2015, and 2016, respectively.
7. On December 31, 2016, four checks totaling \$1,700 were issued to the Administrative Assistant in advance for compensation covering January 2017.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Indiana Code 5-11-9-4(b) states in part:

"The state board of accounts shall require that records be maintained showing which hours are worked each day by officers and employees: . . .

- 2. employed by more than one (1) public agency or in more than one (1) position by the same public agency . . ."

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

- General Form 99A, Employee's Service Record
- General Form 99B, Employee's Earnings Record
- General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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

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 Special Districts, Chapter 1)

TRI-TOWNSHIP FIRE PROTECTION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2017, with Dale P. Cooke, President of the Board.