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

EXAMINATION REPORT  
OF  
TOWN OF DUPONT  
JEFFERSON COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
10/18/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Angela B. Lacey	01-01-04 to 01-17-04
	Position Vacant	01-18-04 to 02-25-07
	Robyn J. Meek	02-26-07 to 12-31-11
President of the Town Council	Douglas R. Law	01-01-07 to 08-13-07
	Charles D. Vance, Jr.	08-14-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF DUPONT, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Dupont (Town), for the period of January 1, 2007 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 30, 2010

TOWN OF DUPONT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 14,706	\$ 3,792	\$ 8,843	\$ 9,655
Motor Vehicle Highway	57,582	14,958	21,235	51,305
Local Road and Street	18,320	2,793	2,370	18,743
Cumulative Capital Improvement	12,672	1,377	-	14,049
County Economic Development Income Tax	-	27,333	-	27,333
Proprietary Funds:				
Wastewater Utility - Operating	167,138	60,460	127,349	100,249
Wastewater Utility - Debt Service	-	14,006	-	14,006
Wastewater Utility - Improvement	-	42,850	-	42,850
Wastewater Utility - Sinking	-	26,400	-	26,400
Totals	<u>\$ 270,418</u>	<u>\$ 193,969</u>	<u>\$ 159,797</u>	<u>\$ 304,590</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 9,655	\$ 10,818	\$ 13,407	\$ 7,066
Motor Vehicle Highway	51,305	11,462	33,574	29,193
Local Road and Street	18,743	2,590	1,550	19,783
Cumulative Capital Improvement	14,049	1,275	-	15,324
County Economic Development Income Tax	27,333	11,233	17,750	20,816
Proprietary Funds:				
Wastewater Utility - Operating	100,249	60,087	70,513	89,823
Wastewater Utility - Debt Service	14,006	-	-	14,006
Wastewater Utility - Improvement	42,850	-	7,200	35,650
Wastewater Utility - Sinking	26,400	26,400	26,135	26,665
Totals	<u>\$ 304,590</u>	<u>\$ 123,865</u>	<u>\$ 170,129</u>	<u>\$ 258,326</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 7,066	\$ 5,900	\$ 11,221	\$ 1,745
Motor Vehicle Highway	29,193	11,237	3,735	36,695
Local Road and Street	19,783	2,393	-	22,176
Cumulative Capital Improvement	15,324	1,202	-	16,526
County Economic Development Income Tax	20,816	33,325	-	54,141
Proprietary Funds:				
Wastewater Utility - Operating	89,823	55,851	62,688	82,986
Wastewater Utility - Debt Service	14,006	-	-	14,006
Wastewater Utility - Improvement	35,650	-	1,200	34,450
Wastewater Utility - Sinking	26,665	22,538	26,133	23,070
Totals	<u>\$ 258,326</u>	<u>\$ 132,446</u>	<u>\$ 104,977</u>	<u>\$ 285,795</u>

The accompanying notes are an integral part of the financial information.

TOWN OF DUPONT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety; highways and streets; general administrative services; and wastewater collection and treatment services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Restitution

Under terms of Jefferson Circuit Court Cause No. 39C01-0901-FB-21 dated August 19, 2009, former Clerk-Treasurer, Angela Lacey, was ordered to pay \$6,542 in restitution to the Town.

A balance of \$6,106 remained unpaid as of July 30, 2010.

TOWN OF DUPONT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
1969 Construction Bonds	\$ 517	\$ 543
1990 Wastewater Works Improvements	12,000	12,720
1992 Wastewater Works Improvements	<u>4,000</u>	<u>4,230</u>
Total Wastewater Utility	<u>\$ 16,517</u>	<u>\$ 17,493</u>

TOWN OF DUPONT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORTS NOT PREPARED (Applies to Clerk-Treasurer)

The City and Town Annual Report (CTAR-1) that reports financial activity was not prepared, advertised and filed with the Indiana State Board of Accounts for 2007, 2008, or 2009.

IC 5-11-1-4 states in part:

"The state examiner shall require from every municipality . . . 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 filed electronically, in a manner prescribed by the state examiner . . ."

IC 5-3-1-3(a) states:

"Within sixty (60) days of the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town during the preceding calendar year."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was made in prior Report B29886.

CERTIFIED REPORT NOT FILED (Applies to Clerk-Treasurer)

The Town did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2007, 2008, and 2009.

IC 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

A similar comment was made in prior Report B29886.

APPROPRIATIONS NOT APPROVED (Applies to Town Council)

The Town Council failed to approve budgets for the Town's General Fund, Motor Vehicle Highway Fund, Local Road and Street Fund, and County Economic Development Income Tax Fund in 2007 and 2008. Monies expended from the funds during 2007 and 2008 are as follows:

TOWN OF DUPONT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Fund	2007 Disbursements	2008 Disbursements
General	\$ 8,843	\$ 13,407
Motor Vehicle Highway	21,235	33,574
Local Road and Street	2,370	1,550
Co. Economic Development Income Tax	-	17,750

IC 36-5-4-2 states:

"Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body and recorded in a book kept for that purpose by the legislative body. Each appropriation must be made from the fund against which the expenses arose."

A similar comment was made in prior Report B29886.

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS (Applies to Clerk-Treasurer)

Quarterly payroll tax returns were not filed and payroll taxes were not remitted for the calendar years of 2007, 2008, and 2009. The delinquent filing of payroll tax returns and delinquent remittance of payroll taxes could result in the Town being assessed penalties and interest.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

A similar comment was made in prior Report B29886.

CONTRACTS (Applies to the Wastewater Utility and Town)

On October 1, 2007, the Wastewater Utility entered into a contract with Paul Vance for lawn mowing/trimming at the wastewater treatment plant. The terms of the agreement included a \$170 fee per complete ". . . mowing, weed eating, and trimming of the Sewer Treatment Plant Area and Lagoon . . ." (Contract Section II). Mr. Vance billed the Wastewater Utility \$170 per mowing. He also billed the Wastewater Utility \$400 per month for weed eating. Mr. Vance was paid an additional \$2,800 per year in both 2008 and 2009 for weed eating. No additional contracts or amendments to the original contract were presented for examination. Town officials stated they approved the additional payments; however, they failed to update the contract.

TOWN OF DUPONT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

The Town paid \$1,200 per year in 2007, 2008, and 2009 to the Dupont Volunteer Fire Department for fire protection services. No contract was presented for examination.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS (Applies to Clerk-Treasurer)

In numerous instances, receipts were deposited later than the next business day as follows:

Date Check Issued	Amount	Date Deposited	Business Days to Deposit
04-02-07	\$ 9,035	08-14-07	97
05-02-07	9,149	08-14-07	75
11-05-07	9,149	12-26-07	38
05-05-08	9,577	06-11-08	28
08-19-08	3,582	02-04-09	122
08-20-08	2,459	02-04-09	121
11-12-08	9,577	02-10-09	65
12-16-08	4,588	02-04-09	37
02-17-09	4,183	06-16-09	86
03-11-09	4,891	06-16-09	70
04-08-09	1,630	06-16-09	50
05-05-09	1,630	06-16-09	31
06-05-09	1,630	06-16-09	8
07-08-09	1,630	12-30-09	126
07-21-09	1,213	12-30-09	117
08-06-09	1,630	12-30-09	105
08-14-09	2,453	12-30-09	99
09-02-09	1,630	12-30-09	86
10-07-09	1,630	12-30-09	61
11-03-09	1,630	12-30-09	42
12-04-09	1,630	12-30-09	19
12-15-09	823	12-30-09	12

IC 5-13-6-1(d) states in part: "A . . . town shall deposit funds not later than the next business day following the receipt of the funds . . ."

TOWN OF DUPONT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PRESCRIBED FORMS (Applies to Clerk-Treasurer)

The following prescribed or approved forms were not used:

Payroll Schedule and Voucher (Form 99)  
Employee's Earnings Record (Form 99B)  
Clerk-Treasurer's Receipt Form (Form 217)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was made in prior Report B29886.

CAPITAL ASSET RECORDS (Applies to Town and Wastewater Utility)

The Town and Wastewater Utility do not maintain capital asset records.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was made in prior Report B29886.

TOWN OF DUPONT  
EXIT CONFERENCE

The contents of this report were discussed on July 30, 2010, with Robyn J. Meek, Clerk-Treasurer, and Charles D. Vance, Jr., President of the Town Council. The officials concurred with our findings.