

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

SPECIAL REPORT

OF

TOWN OF NORTH JUDSON

STARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
06/05/2012



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Town Officials.....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Cemetery Lot Sales .....	4-5
Utility Receipts Not Deposited Intact .....	5-6
December 31, 2011 Receipts Not Deposited Intact .....	6-7
Utility Customer Deposits Not Deposited Intact .....	7-8
Ordinance Violation Collections Not Deposited Intact.....	8-9
Police Department Receipts Not Deposited Intact .....	9-10
Reimbursements Not Deposited Intact.....	10
Equipment Purchased Not On Hand .....	10-12
Personal Expenses.....	12-13
Supporting Documentation .....	13-14
Advance Payments.....	14
Examination Costs – Missing Funds .....	15
Official Bond/Crime Insurance.....	15
Exit Conference.....	16
Official Response .....	17
Summary .....	18
Affidavit .....	19

TOWN OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie Miller Donna M. Henry	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Dan Anderson Wendy Hoppe	01-01-10 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF THE TOWN OF NORTH JUDSON, INDIANA

We have performed a special examination of the records of the Town of North Judson for the period from January 1, 2010 to December 31, 2011, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Annual Reports of the Town of North Judson for the years 2010 and 2011.

STATE BOARD OF ACCOUNTS

March 5, 2012

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS

**CEMETERY LOT SALES**

Our review of the Highland Cemetery Book indicated that some lots were sold and the sales proceeds were not entered in the receipt records of the Town. Current officials obtained a copy of a receipt issued on December 22, 2011, for \$2,400 which was for the sale of six cemetery lots and was not entered on the receipt ledger. The receipt shows that the payment was paid in cash. The former Clerk-Treasurer required cash payments for the cemetery lot sales.

To confirm which lots were sold, we requested and obtained confirmation letters from persons listed in the cemetery book as having been issued deeds to the lots from 2009 through 2011. Based on the information posted in the cemetery book, and the confirmations that were returned, we determined that \$40,350 was collected for cemetery lots sales that was not receipted to the records, as noted in the following schedule. We requested Connie Miller, former Clerk-Treasurer, to reimburse the Town for this amount. (See Summary, page 18)

<u>Date</u>	<u>Lot No.</u>	<u>Block</u>	<u>Amount</u>	<u>Date</u>	<u>Lot No.</u>	<u>Block</u>	<u>Amount</u>
10-03-11	49G	12	\$ 400	10-03-11	48DEFG	13	\$ 1,600
03-02-11	11AB	13	800	06-25-09	56CD	13	700
04-08-10	12BC	13	800	09-20-11	56G	13	400
05-24-11	13D	13	400	04-06-10	57ABC	13	1,200
03-19-11	19BC	13	800	01-19-11	59	13	2,400
03-31-11	22E&F	13	800	No date	63AB	13	700
09-04-11	24ABC	13	1,200	05-12-10	66BCD	13	1,200
02-08-11	27	13	2,400	06-22-10	67AB	13	800
12-22-11	28	13	2,400	04-04-11	67CDE	13	1,200
09-26-11	29D	13	400	10-09-11	67FG	13	800
No date	31DEF	13	1,200	04-09-10	68DE	13	800
08-04-11	33A	13	400	No date	68F	13	350
07-01-11	38EF	13	800	05-05-09	72A	13	350
11-04-11	39CDEF	13	1,600	07-08-09	74 CDEF	13	1,400
10-03-11	39G	13	400	02-23-11	78EF	13	800
02-17-11	45AB	13	800	04-26-10	82AB	13	800
03-15-11	45CD	13	800	02-28-11	82CD	13	800
10-21-11	46A	13	400	No date	82EF	13	700
07-12-11	46BCDEF	13	2,000	No date	96AB	13	700
03-18-11	47EF	13	800	03-12-10	84ABC	13	1,150
10-03-11	48ABC	13	1,200	No date	97CD	13	700
Total							<u>\$ 40,350</u>
Total - 2009			\$ 2,450				
Total - 2010			6,750				
Total - 2011			<u>31,150</u>	(includes no date)			
Total			<u>\$ 40,350</u>				

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**UTILITY RECEIPTS NOT DEPOSITED INTACT**

Utility receipts were not deposited intact for the days listed in the following schedule. Cash received for utility payments was not all deposited but was replaced by checks received by the Town that were not related to utility payments (permits, ordinance violations, etc as noted below) in order for the deposit to equal the receipts for the day. The following table shows the days which we found that cash collected was not deposited. We have requested that Connie Miller, former Clerk-Treasurer, reimburse the Town for \$8,437.76. (See Summary, page 18)

Date	Utility Receipts Collected	Amount of Deposit	Receipts Received in Cash	Cash Deposited	Cash Collected Not Deposited	Checks in Deposit Substituted for Cash
01-12-10	\$ 4,099.67	\$ 4,099.67	\$ 560.69	\$ 260.69	\$ 300.00	\$ 300.00
02-08-10	5,663.70	5,663.70	778.52	328.52	450.00	450.00
02-26-10	4,926.93	4,926.93	1,493.12	1,388.33	104.79	104.79
08-24-10	4,191.90	4,191.90	1,299.48	674.48	625.00	625.00
12-07-10	5,227.28	5,227.28	440.03	240.03	200.00	200.00
Totals - 2010	<u>24,109.48</u>	<u>24,109.48</u>	<u>4,571.84</u>	<u>2,892.05</u>	<u>1,679.79</u>	<u>1,679.79</u>
01-19-11	1,227.61	1,227.61	340.43	0.43	340.00	340.00
02-04-11	805.95	805.95	278.08	3.08	275.00	275.00
02-08-11	460.67	460.67	300.00	-	300.00	300.00
04-13-11	3,669.46	3,669.46	278.36	3.36	275.00	275.00
07-05-11	7,936.22	7,936.22	1,478.42	135.12	1,343.30	1,343.30
07-19-11	535.14	535.14	105.00	30.00	75.00	75.00
09-26-11	9,128.09	9,128.09	1,977.10	187.10	1,790.00	1,790.00
10-17-11	1,463.71	1,463.71	189.22	39.22	150.00	150.00
11-28-11	4,331.19	4,331.19	1,510.98	178.98	1,332.00	1,332.00
12-12-11	8,191.77	8,191.77	1,099.63	221.76	877.87	877.67
Totals - 2011	<u>37,749.81</u>	<u>37,749.81</u>	<u>7,557.22</u>	<u>799.05</u>	<u>6,758.17</u>	<u>6,757.97</u>
Totals - both years	<u>\$ 61,859.29</u>	<u>\$ 61,859.29</u>	<u>\$ 12,129.06</u>	<u>\$ 3,691.10</u>	<u>\$ 8,437.96</u>	<u>\$ 8,437.76</u>

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

The checks that were substituted for cash in the utility collections were from the following sources:

Building and contractor permits and licenses	\$ 2,265.00
Ordinance violation fines	425.00
Refunds and reimbursements	2,035.76
Utility customer deposits	1,575.00
Rents	1,107.00
Cemetery care	50.00
Checks from utility customer deposit funds	<u>980.00</u>
 Total	 <u><u>\$ 8,437.76</u></u>

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**DECEMBER 31, 2011 RECEIPTS NOT DEPOSITED INTACT**

The Town received \$1,200 in cash for several receipts issued on December 30, 2011, which was not deposited intact. The cash was replaced with other checks to balance the deposit with the receipts issued, as noted in the following schedule. This was the last business day of Connie Miller, former Clerk-Treasurer's, term. We requested that Connie Miller, former Clerk-Treasurer, repay \$1,167. (\$1,200 less personal check of \$33 in the deposit as noted in the schedule) (See Summary, page 18)

Source	Total Receipts	Receipts Received in Cash	Cash Deposited	Cash Collected Not Deposited
Police Department	\$ 519	\$ 307	\$ 7	\$ 300
Donations	553	-	-	-
Water customer deposits	975	450	-	450
Sewer customer deposits	<u>1,050</u>	<u>450</u>	-	<u>450</u>
 Totals	 <u><u>\$ 3,097</u></u>	 <u><u>\$ 1,207</u></u>	 <u><u>\$ 7</u></u>	 <u><u>\$ 1,200</u></u>

In order for the deposit to balance, the cash not deposited was replaced by the following:

Checks received for permits, fines, ordinances violations and other Town collections which were not recorded	\$ 742
Three checks from utility customer deposit funds (Claims showed that these were applied to customer accounts but they were not applied)	1,100
Less utility customer deposit checks not included in deposit	(675)
Personal check deposited by former Clerk-Treasurer	<u>33</u>
 Total	 <u><u>\$ 1,200</u></u>

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**UTILITY CUSTOMER DEPOSITS NOT DEPOSITED INTACT**

Town records indicate that some utility customer deposit collections were not deposited timely and not deposited intact. The October 24, 2011 bank deposit of utility customer deposits of \$1,600, included utility deposits received from customers during the period September 6, 2011 to October 18, 2011. The utility customer deposit duplicate receipts show no cash collections. One duplicate receipt did not show if the payment was cash or check and three duplicate receipts had a handwritten customer payment check number written in pencil or pen on the duplicate. This indicates the customer payment may have been in the form of cash.

We requested a copy from the Town's bank of the bank deposit and payment checks included in the deposit amount. The \$1,600 deposit included four checks not related to utility customer deposits totaling \$850. We then requested copies of bank deposits for all of the 2010 and 2011 utility customer deposit collections. The following schedule shows the deposit dates, the deposit amounts and the amounts of the nonutility customer deposit checks included in the deposits. We asked Connie Miller, former Clerk-Treasurer, to repay \$5,860.56. (See Summary, page 19)

Date	Total Deposit	Not Utility Customer Deposits
03-31-10	\$ 400.00	\$ -
03-31-10	475.00	150.00
05-27-10	450.00	375.00
06-28-10	925.00	400.00
06-29-10	300.00	150.00
07-28-10	600.00	400.00
08-10-10	600.00	450.00
08-31-10	450.00	191.58
09-10-10	450.00	300.00
10-18-10	525.00	525.00
11-30-10	1,050.00	425.00
12-29-10	175.00	25.00
12-29-10	175.00	<u>125.00</u>
<b>Total - year 2010</b>		<u><b>3,516.58</b></u>

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Date	Total Deposit	Not Utility Customer Deposits
02-23-11	600.00	443.98
04-25-11	450.00	300.00
07-01-11	525.00	400.00
07-01-11	600.00	-
07-12-11	300.00	150.00
08-30-11	1,350.00	200.00
10-24-11	1,600.00	850.00
Total - year 2011		<u>2,343.98</u>
Total - both years		<u>\$ 5,860.56</u>

Indiana Code 5-13-6-1(d) states in part: "A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**ORDINANCE VIOLATION COLLECTIONS NOT DEPOSITED INTACT**

In our tests, we found that some 2011 police ordinance violation payments were not posted to the Town's financial records and some were not deposited into the Town's bank account. The police officers issue the ordinance violation tickets. Ticket copies are given to the Clerk-Treasurer's office who stamped the copies paid, with date paid, upon receiving payment. The stamped paid copies are given to the Town Marshal for his files. No personal checks are accepted for ordinance violation payments and most payments are in the form of cash.

During 2011, the Clerk-Treasurer posted paid ordinance violations to the Town's financial records, issued Town receipts, and deposited collections, on three dates. The April 22, 2011 deposit for \$550 included no cash, but included checks not related to ordinance violations. The July 11, 2011 deposit for \$515 and the July 12, 2011 deposit for \$415 also included no cash, but included checks not related to ordinance violations, and also included \$1 personal checks paid by Connie Miller, former Clerk-Treasurer. This personal check was paid apparently to balance the deposit with the Town receipt total. Examples of checks not related to ordinance violations were contractor's permits, community center rent, and satellite dish/antenna water tower rent. The former Clerk-Treasurer was substituting checks for cash collected. We asked that Connie Miller, former Clerk-Treasurer, repay the total of these three deposits, less \$2 in personal checks from her, \$1,478.

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

The Town Marshal's 2011 paid ordinance violation file included 14 paid ordinance violations with the Clerk-Treasurer's paid, dated stamp that were not posted to the Town's financial records. These totaled \$640. Combined with the amount shown in the preceding paragraph, we requested that Connie Miller, former Clerk-Treasurer, repay \$2,118 for 2011 paid ordinance violations that were not posted to the financial records or were not deposited.

We also found two 2010 Town ordinance violation receipts in which the deposit for those receipts included check payments not related to ordinance violations. The deposit for the September 9, 2010 Town receipt 20308, in the amount of \$215 included a \$200 check payment for water tower rent. The deposit for the October 15, 2010 Town receipt 20430, in the amount of \$300, included \$250 in check payments not related to ordinance violations. We asked Connie Miller, former Clerk-Treasurer, to repay the total of these two 2010 instances in which check payments were substituted, \$450.

The total for both 2010 and 2011 combined is \$2,568 for ordinance violation payments that were either not posted to the financial records or were not deposited. (See Summary, page 18)

Indiana Code 5-13-6-1(d) states in part: "A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***POLICE DEPARTMENT RECEIPTS NOT DEPOSITED INTACT***

We found three instances of 2010 and 2011 cash collections shown on Police Department duplicate receipts not agreeing to the Town's duplicate receipt cash amount and not agreeing to the deposit slip cash amount. Police Department duplicate receipts, 2022 to 2033, dated August 3, 2010 to October 5, 2010, totaled \$167 and were marked as receiving \$144 in cash payments and \$23 in check payments. The Town's duplicate receipt 20431, dated October 15, 2010, totaled \$167, but was marked as only check payments. Connie Miller, former Clerk-Treasurer, prepared the Town receipts.

We requested and obtained from the Town's bank a copy of the deposit slip and checks included in the deposit. The checks included two checks for contractor's permits, total \$150, unrelated to Police Department collections. We also obtained deposit and check copies for the April 25, 2011 Police Department receipt deposit for \$169 and the July 1, 2011 Police Department receipt deposit for \$233. The April 25, 2011 deposit included two contractor's permit payment checks, totaling \$150, and the July 1, 2011 deposit include a \$100 community center rent payment check. Connie Miller, former Clerk-Treasurer, substituted cash collections and included checks from other purposes in these deposits. We requested that Connie Miller, former Clerk-Treasurer, repay the total of these three instances, \$400. (See Summary, page 18)

Indiana Code 5-13-6-1(d) states in part: "A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**REIMBURSEMENTS NOT DEPOSITED INTACT**

The Revenue Detail History shows that on April 28, 2010, the Town received \$1,420.08 from various sources/reimbursement for supplies, receipt 20229. The deposit slip prepared by Connie Miller, former Clerk-Treasurer, lists checks or money orders from six employees, including Connie Miller, former Clerk-Treasurer. We contacted the bank and obtained copies of the actual check payments included in this deposit. The actual check payments were not related to employee reimbursements. The actual check payments were for grave lot purchases, \$1,200.00; ordinance violation fees, \$100.00; and contractor's permit, \$75.00. The deposit included \$45.08 cash.

One of the grave lot purchases' check, in the amount of \$800.00 is already listed in audit exception titled "Cemetery Lot Sales." We asked Connie Miller, former Clerk-Treasurer, to repay \$575.00 for the other check payments not related to employee reimbursements.

In another instance, the Town received a \$273.59 refund from a vendor but only \$23.59 was included on receipt 20404, dated September 23, 2010. The refund check was included in the deposit, which also included receipt 20403, \$150.00 and a \$200.00 NSF repayment. This deposit did include two \$50.00 money orders for ordinance violation payments. \$250.00 of the \$273.59 refund check was used to substitute for ordinance violation payments and the NSF repayment. Combined with the amount shown in the previous paragraph, we asked Connie Miller, former Clerk-Treasurer, to repay \$825.00 for reimbursements not deposited intact. (See Summary, page 18)

Indiana Code 5-13-6-1(d) states in part: "A city or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or the town and approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**EQUIPMENT PURCHASED NOT ON HAND**

During 2010 and 2011, the Town purchased many types of equipment of which several were not on hand for our audit. A majority of this equipment was purchased by Connie Miller, former Clerk-Treasurer, from various vendors. Invoices and/or accounts payable vouchers indicate that the former Clerk-Treasurer made the purchase and picked up the items purchased. Connie Miller, former Clerk-Treasurer, also reimbursed herself mileage costs to pick up these items.

On February 1, 2012, and on February 7, 2012, we met with the Fire Chief, Town Marshal, Utility Superintendent, current Clerk-Treasurer, and Utility Clerk to review our list of equipment purchased during 2010 and 2011. We obtained our list from reviewing paid vouchers and supporting invoices. Our original list included 241 items. The schedule below is a list of 63 items not on hand or never purchased for Town purposes based on our discussions with Town officials.

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Date	Check	Amount	Department	Description
04-18-10	4066	\$ 190.50	W/S	Digital camera
06-12-10	7994	169.99	W/S	Cordless phone set
11-04-10	4296	482.50	W	Pump starter
11-10-10	1158	244.99	F	Camcorder
11-10-10	1158	129.99	F	Battery backup
11-10-10	1157	299.00	F	Tool kit
11-10-10	1157	34.97	F	Cutting tool
11-10-10	1258	74.90	P/F/W/S	DVD player
11-11-10	1159	378.99	F	Kerosene heater
11-18-10	1189	339.98	F	Compressors (2)
11-18-10	1189	149.98	F	Floor jack
12-16-10	1235	250.00	P/W/S	Bath fan
12-16-10	1235	68.98	P/W/S	Thermostat
12-16-10	1235	127.98	P/W/S	Shop vac
12-31-10	1286	429.99	F	42" HD TV
Total - 2010		<u>3,372.74</u>		
03-24-11	1451	77.90	CC	Bookcase
03-24-11	1451	139.99	ST/W/S	Office software
03-24-11	1451	79.99	ST/W/S	Cordless phone
04-20-11	1522	48.86	CC	Air circulator
04-20-11	1522	278.00	W/CC	Bath fan/light (2)
05-17-11	1597	269.91	ST	Backpack sprayer (3)
05-17-11	1714	89.99	NM	Cordless phone
06-11-11	1646	137.00	ST/W/S	Color printer
06-13-11	1648	49.99	W	Thermostat
07-13-11	2006	52.50	S	DVD player
08-10-11	2176	399.99	W/S	Computer
08-19-11	2407	399.98	NM	X box (2)
11-25-11	2269	69.99	W	Microwave
11-30-11	2273	99.99	F	Digital camera
11-30-11	2286	98.96	CC	DVD player
11-30-11	2289	15.98	CC	Pillow (2)
12-01-11	2290	299.99	F	Computer
12-09-11	2337	375.96	F	Light assemblies (12)
12-11-11	2342	69.99	F	Air tool
12-12-11	2341	54.29	F	Shop vac
12-12-11	2341	47.96	F	Socket sets (4)
12-12-11	2341	127.96	F	Air compressor hose
12-17-11	2358	99.99	G/W/S	Speaker system
12-23-11	2391	94.99	W/S	Car battery
12-23-11	2391	99.99	W/S	Compressor
12-30-11	2441	659.63	P	Computer debt
Total - 2011		<u>4,289.76</u>		
		<u>\$ 7,662.50</u>		

CC - Community Center  
F - Fire  
G - General  
NM - Not marked

P - Police  
S - Sewer  
ST - Street  
W - Water

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

We requested that Connie Miller, former Clerk-Treasurer, repay the total of these items not on hand, \$7,662.50. (See Summary, page 18)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**PERSONAL EXPENSES**

Connie Miller, former Clerk-Treasurer, made many purchases and then reimbursed herself for those purchases. During 2011, she reimbursed herself \$19,148 for purchases. During 2010, she reimbursed herself \$21,350 for purchases. Many items purchased were difficult for us to determine whether they were for the Town or personal expenses. Purchases included office equipment and other equipment, office, medical and other supplies, food, holiday decorations, etc. Below is a schedule of reimbursements paid by the Clerk-Treasurer from Town funds to herself for purchases not related to Town business:

<u>Date</u>	<u>Check</u>	<u>Amount</u>	<u>Description</u>
08-22-11	1851	\$ 64.95	Vincennes hotel room
09-07-11	2057	82.17	Groceries from Rushville, IN store
12-22-11	2390	119.99	Diamond pendant
		<u>\$ 267.11</u>	

Connie Miller, former Clerk-Treasurer, also made purchases from various businesses for items not related to Town business. Many of these purchases were made during the last few days the former Clerk-Treasurer was in office. The following schedule lists these purchases.

<u>Date</u>	<u>Check</u>	<u>Amount</u>	<u>Vendor</u>	<u>Description</u>
09-16-11	2069	\$ 293.35	Sears	Account balance *
11-18-11	2249	71.94	Staples	Keurig coffee
12-15-11	2350	102.00	Kersting's	Gift
12-19-11	2358	77.97	Staples	Keurig coffee
12-29-11	2406	60.95	Staples	Keurig coffee
12-29-11	2407	836.90	Sears	Account balance *
12-29-11	2428	118.00	Smith	Clothing **
12-29-11	2427	204.98	Gall's	Athletic shoes
12-30-11	2442	160.83	Sears	Account balance *
04-12-12	-	(100.72)	-	Coffee returned
		<u>\$ 1,826.20</u>		
Total personal purchases		<u>\$ 2,093.31</u>		

\*This Sears account included purchases for jewelry, clothes, shoes, new tires and oil change for Timothy Miller (former Clerk-Treasurer, Connie Miller's husband) vehicle in Merrillville.

\*\*The amount has been reduced for five pairs of gloves returned to the Town.

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

We asked Connie Miller, former Clerk-Treasurer, to repay the total of these two schedules of personal purchases, \$2,093.31. (See Summary, page 18)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**SUPPORTING DOCUMENTATION**

We found several reimbursements that Connie Miller, former Clerk-Treasurer, reimbursed herself from Town funds in which the payments had no accounts payable voucher or invoice or other supporting documentation. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. The following schedule shows the reimbursements paid to Connie Miller, former Clerk-Treasurer, with no supporting documentation.

Date	Check	Amount
05-27-11	1611	\$ 379.83
05-27-11	4604	233.76
05-27-11	4699	194.77
05-31-11	1616	1,000.00
07-27-11	1758	357.06
07-27-11	1759	141.22
07-27-11	4678	141.22
07-27-11	4771	141.22
08-12-11	1812	227.60
08-24-11	1855*	450.00
08-26-11	1856	264.60
		\$ 3,531.28

\*This check was payable to and endorsed by Connie Miller. The accounts payable voucher shows the payment was to Mike Beron to "Reimb for Cem Expenses."

We also found several payments Connie Miller, former Clerk-Treasurer, paid various vendors that did not have a supporting accounts payable voucher or invoice. Without supporting documentation, we could not determine if these purchases were for Town purposes or personal. The following schedule shows these purchases without supporting documentation.

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

<u>Date</u>	<u>Check</u>	<u>Amount</u>	<u>Vendor</u>
01-10-11	1307	\$ 506.38	Bailey's Discount
01-10-11	1308	201.71	Richard's of Toto
01-12-11	4410	329.98	CVS
01-13-11	4538	<u>474.81</u>	Preferred Flooring
		<u>\$ 1,512.88</u>	
Total unsupported expenditures		<u>\$ 5,044.16</u>	

We asked that Connie Miller, former Clerk-Treasurer, repay the total of these two schedules of unsupported expenditures, \$5,044.16. (See Summary, page 18)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**ADVANCE PAYMENTS**

There were four payroll checks that Connie Miller, former Clerk-Treasurer, paid to herself during 2011 that were in advance of the payroll period. During 2011, the former Clerk-Treasurer was paid weekly \$742.80 paychecks, similar to other employees. She was not overpaid during 2011 because her total gross payroll equaled the salary ordinance approved by the Town Council, but she received advance payroll checks on May 31, August 3, August 22, and September 13. She continued to receive her regular paychecks weekly and in December, she received only one weekly payroll check.

Connie Miller, former Clerk-Treasurer, explained to us that she paid these advances to herself because she was going on vacation leave.

Indiana Code 36-5-4-7 states: ". . . One (1) to three (3) days before the vacation leave period of a town officer or employee begins, the town may pay him the amount of compensation he will earn while he is on vacation leave."

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. 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 Cities and Towns, Chapter 7)

TOWN OF NORTH JUDSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***EXAMINATION COSTS - MISSING FUNDS***

Additional examination fees were incurred in the investigation of missing funds. The State of Indiana is requesting reimbursement of examination fees incurred in the amount of \$10,484.38. We asked that Connie Miller, former Clerk-Treasurer, pay this amount to the State of Indiana. (See Summary, page 18)

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***OFFICIAL BOND/CRIME INSURANCE***

An official bond for Connie Miller, former Clerk-Treasurer, for the period January 1, 2009 to January 1, 2012, in the amount of \$25,000, with Auto Owners Insurance Company, was on file in the Office of the County Recorder. For the period January 10, 2011 to January 12, 2012, the Town purchased commercial crime coverage, with public dishonesty coverage in the amount of \$90,000, with Argonaut Insurance Group.

TOWN OF NORTH JUDSON  
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2012, with Donna M. Henry, Clerk-Treasurer, and Wendy Hoppe, President of the Town Council.

The contents of this report were also discussed on March 5, 2012, with Connie Miller, former Clerk-Treasurer. The Official Response has been made a part of this report and may be found on page 17.

On April 12, 2012, we met with Connie Miller, former Clerk-Treasurer, and her attorney, to review Town department offices for equipment and other items included in this report as a charge against Connie Miller. We eliminated items previously listed and included in this report that we observed at the Town department offices that totaled \$2,324.73. We also eliminated items that Connie Miller brought back to the Town that totaled \$1,221.92. We also eliminated items that Connie Miller said were damaged and discarded, but not available for our observation that totaled \$3,938.08. The total reductions, \$7,484.73, changed the original total of "Equipment Purchased Not On Hand" from \$15,147.23 to the total shown in this report, \$7,662.50.

## Connie Miller

507 E. Arlington Avenue  
North Judson, IN 46366  
(574) 896-3560

[itsmillertime@embarqmail.com](mailto:itsmillertime@embarqmail.com)

March 14, 2012

Indiana State Board of Accounts  
302 W. Washington Street, Room E418  
Indianapolis, IN 46204-2765

***Sent via facsimile (317) 232-4711 and US mail on March 14, 2012***

Re: Response to 2010/2011 Town of North Judson audit findings

To Whom it May Concern:

Due to the accusations contained in the Examination Results from the Town of North Judson's recent audit, I am unable to provide you with a specific statement on the findings at this time, without the assistance of counsel and without sufficient time to review all of the information. I am able to generally deny all allegations of malfeasance on my part, and strenuously object to any allegations or suggestions that I have done any wrong for personal gain.

I advised the Examiners during the exit conference that although the current staff may have provided you with valuable information pertaining to the equipment list, I have to conclude that they didn't know what to look for, or specifically where to look, because many of the items on the list *were* on-hand on December 31, 2011, and should still be there today.

I am confident that the discrepancies set out in the report can be rectified, as I'm also confident that the Examiners did not see certain documents which were, and continue to be, exculpatory. Therefore, I am respectfully requesting the opportunity to supplement this response at a later date, after I have been given the opportunity to review the records of the Town Clerk-Treasurer and subsequently provided an adequate amount of time to respond.

Respectfully submitted,



Connie Miller  
Former Clerk-Treasurer

TOWN OF NORTH JUDSON  
SUMMARY

	Charges	Credits	Balance Due
Connie Miller, former Clerk-Treasurer:			
Cemetery Lot Sales, pages 4 and 5	\$ 40,350.00	\$ -	\$ 40,350.00
Utility Receipts Not Deposited			
Intact, pages 5 and 6	8,437.76	-	8,437.76
December 30, 2011 Receipts Not			
Deposited Intact, pages 6 and 7	1,167.00	-	1,167.00
Utility Customer Deposits Not			
Deposited Intact, pages 7 and 8	5,860.56	-	5,860.56
Ordinance Violation Collections Not			
Deposited Intact, pages 8 and 9	2,568.00	-	2,568.00
Police Department Receipts Not			
Deposited Intact, pages 9 and 10	400.00	-	400.00
Reimbursements Not Deposited			
Intact, page 10	825.00	-	825.00
Equipment Purchased Not On			
Hand, pages 10 through 12	7,662.50	-	7,662.50
Personal Expenses, pages 12 and 13	2,093.31	-	2,093.31
Supporting Documentation, pages 13 and 14	5,044.16	-	5,044.16
Examination Costs - Missing Funds, page 15	10,484.38	-	10,484.38
 Totals	 \$ 84,892.67	 \$ -	 \$ 84,892.67

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA            )  
St Joseph COUNTY)

We, Bruce Snyder and David P. Shearer, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Town of North Judson, Indiana, for the period from January 1, 2010 to December 31, 2011, is true and correct to the best of our knowledge and belief.

Bruce Snyder

David P Shearer  
Field Examiners

Subscribed and sworn to before me this 26<sup>th</sup> day of March, 2012.

Bettie J Jackson  
Notary Public

My Commission Expires: Feb. 19, 2015

County of Residence: St. Joseph