

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF WILKINSON

HANCOCK COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
01/02/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janette Young	01-01-08 to 12-31-15
President of the Town Council	Richard Roberts	01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WILKINSON, HANCOCK COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Wilkinson (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 16, 2012

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF WILKINSON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 28,084	\$ 150,797	\$ 146,510	\$ 32,371
Petty Cash	34	-	-	34
Motor Vehicle Highway	90,532	19,005	6,397	103,140
Local Road And Street	18,176	4,389	4,110	18,455
Riverboat	7,025	2,228	-	9,253
Rainy Day	12,520	4,402	4,209	12,713
Local Law	708	110	40	778
Sewage	223,551	77,551	57,821	243,281
Levy Excess	1,019	160	-	1,179
Garage Sale	27	92	58	61
Ccif	4,058	1,043	922	4,179
Park Fund	610	2,000	-	2,610
Payroll	2,749	50,398	52,330	817
Totals	<u>\$ 389,093</u>	<u>\$ 312,175</u>	<u>\$ 272,397</u>	<u>\$ 428,871</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILKINSON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 32,371	\$ 152,008	\$ 136,972	\$ 47,407
Motor Vehicle Highway	103,140	19,264	26,079	96,325
Local Road And Street	18,455	4,291	11,314	11,432
Riverboat	9,253	2,227	841	10,639
Rainy Day	12,713	1,826	4,351	10,188
Levy Excess	1,179	-	1,179	-
Ccif	4,179	1,022	-	5,201
LOIT	-	8,234	3,494	4,740
Petty Cash	34	-	-	34
Local Law	778	260	250	788
Sewage	243,281	74,793	68,206	249,868
Garage Sale	61	57	45	73
Park Fund	2,610	2,000	137	4,473
Payroll	817	51,888	51,883	822
Totals	<u>\$ 428,871</u>	<u>\$ 317,870</u>	<u>\$ 304,751</u>	<u>\$ 441,990</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WILKINSON  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF WILKINSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF WILKINSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

TOWN OF WILKINSON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

State statutes authorize 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 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

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### SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statements examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF WILKINSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Petty Cash	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Local Law
Cash and investments - beginning	\$ 28,084	\$ 34	\$ 90,532	\$ 18,176	\$ 7,025	\$ 12,520	\$ 708
Receipts:							
Taxes	78,605	-	-	-	-	-	110
Licenses and permits	70	-	-	-	-	-	-
Intergovernmental	48,206	-	19,005	4,389	-	-	-
Charges for services	13,000	-	-	-	-	-	-
Fines and forfeits	492	-	-	-	-	-	-
Other receipts	10,424	-	-	-	2,228	4,402	-
Total receipts	<u>150,797</u>	<u>-</u>	<u>19,005</u>	<u>4,389</u>	<u>2,228</u>	<u>4,402</u>	<u>110</u>
Disbursements:							
Personal services	25,429	-	-	-	-	4,209	-
Supplies	17,054	-	-	-	-	-	-
Other services and charges	59,510	-	-	-	-	-	40
Capital outlay	43,541	-	6,397	4,110	-	-	-
Other disbursements	976	-	-	-	-	-	-
Total disbursements	<u>146,510</u>	<u>-</u>	<u>6,397</u>	<u>4,110</u>	<u>-</u>	<u>4,209</u>	<u>40</u>
Excess (deficiency) of receipts over disbursements	<u>4,287</u>	<u>-</u>	<u>12,608</u>	<u>279</u>	<u>2,228</u>	<u>193</u>	<u>70</u>
Cash and investments - ending	<u>\$ 32,371</u>	<u>\$ 34</u>	<u>\$ 103,140</u>	<u>\$ 18,455</u>	<u>\$ 9,253</u>	<u>\$ 12,713</u>	<u>\$ 778</u>

TOWN OF WILKINSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Sewage	Levy Excess	Garage Sale	Ccif	Park Fund	Payroll	Totals
Cash and investments - beginning	\$ 223,551	\$ 1,019	\$ 27	\$ 4,058	\$ 610	\$ 2,749	\$ 389,093
Receipts:							
Taxes	-	-	-	-	-	-	78,715
Licenses and permits	-	-	-	-	-	-	70
Intergovernmental	-	-	92	1,043	-	-	72,735
Charges for services	54,274	-	-	-	-	-	67,274
Fines and forfeits	-	-	-	-	-	-	492
Other receipts	23,277	160	-	-	2,000	50,398	92,889
Total receipts	<u>77,551</u>	<u>160</u>	<u>92</u>	<u>1,043</u>	<u>2,000</u>	<u>50,398</u>	<u>312,175</u>
Disbursements:							
Personal services	36,255	-	-	-	-	-	65,893
Supplies	1,003	-	58	-	-	-	18,115
Other services and charges	19,881	-	-	922	-	-	80,353
Capital outlay	682	-	-	-	-	-	54,730
Other disbursements	-	-	-	-	-	52,330	53,306
Total disbursements	<u>57,821</u>	<u>-</u>	<u>58</u>	<u>922</u>	<u>-</u>	<u>52,330</u>	<u>272,397</u>
Excess (deficiency) of receipts over disbursements	<u>19,730</u>	<u>160</u>	<u>34</u>	<u>121</u>	<u>2,000</u>	<u>(1,932)</u>	<u>39,778</u>
Cash and investments - ending	<u>\$ 243,281</u>	<u>\$ 1,179</u>	<u>\$ 61</u>	<u>\$ 4,179</u>	<u>\$ 2,610</u>	<u>\$ 817</u>	<u>\$ 428,871</u>

TOWN OF WILKINSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Levy Excess	Ccif	LOIT
Cash and investments - beginning	\$ 32,371	\$ 103,140	\$ 18,455	\$ 9,253	\$ 12,713	\$ 1,179	\$ 4,179	\$ -
Receipts:								
Taxes	99,547	-	-	-	-	-	-	-
Licenses and permits	150	-	-	-	-	-	-	-
Intergovernmental	35,080	19,264	4,291	2,227	-	-	1,022	8,234
Charges for services	14,518	-	-	-	-	-	-	-
Fines and forfeits	413	-	-	-	-	-	-	-
Other receipts	2,300	-	-	-	1,826	-	-	-
Total receipts	<u>152,008</u>	<u>19,264</u>	<u>4,291</u>	<u>2,227</u>	<u>1,826</u>	<u>-</u>	<u>1,022</u>	<u>8,234</u>
Disbursements:								
Personal services	26,302	2,200	-	-	-	-	-	-
Supplies	6,660	-	-	-	-	-	-	-
Other services and charges	104,010	23,879	11,314	841	4,351	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	3,494
Other disbursements	-	-	-	-	-	1,179	-	-
Total disbursements	<u>136,972</u>	<u>26,079</u>	<u>11,314</u>	<u>841</u>	<u>4,351</u>	<u>1,179</u>	<u>-</u>	<u>3,494</u>
Excess (deficiency) of receipts over disbursements	<u>15,036</u>	<u>(6,815)</u>	<u>(7,023)</u>	<u>1,386</u>	<u>(2,525)</u>	<u>(1,179)</u>	<u>1,022</u>	<u>4,740</u>
Cash and investments - ending	<u>\$ 47,407</u>	<u>\$ 96,325</u>	<u>\$ 11,432</u>	<u>\$ 10,639</u>	<u>\$ 10,188</u>	<u>\$ -</u>	<u>\$ 5,201</u>	<u>\$ 4,740</u>

TOWN OF WILKINSON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Petty Cash	Local Law	Sewage	Garage Sale	Park Fund	Payroll	Totals
Cash and investments - beginning	\$ 34	\$ 778	\$ 243,281	\$ 61	\$ 2,610	\$ 817	\$ 428,871
Receipts:							
Taxes	-	-	-	-	-	-	99,547
Licenses and permits	-	260	-	-	-	-	410
Intergovernmental	-	-	-	57	2,000	-	72,175
Charges for services	-	-	74,793	-	-	-	89,311
Fines and forfeits	-	-	-	-	-	-	413
Other receipts	-	-	-	-	-	51,888	56,014
Total receipts	-	260	74,793	57	2,000	51,888	317,870
Disbursements:							
Personal services	-	-	26,518	-	-	51,883	106,903
Supplies	-	250	6,396	-	-	-	13,306
Other services and charges	-	-	21,839	45	137	-	166,416
Debt service - principal and interest	-	-	6,803	-	-	-	6,803
Capital outlay	-	-	-	-	-	-	3,494
Other disbursements	-	-	6,650	-	-	-	7,829
Total disbursements	-	250	68,206	45	137	51,883	304,751
Excess (deficiency) of receipts over disbursements	-	10	6,587	12	1,863	5	13,119
Cash and investments - ending	\$ 34	\$ 788	\$ 249,868	\$ 73	\$ 4,473	\$ 822	\$ 441,990

TOWN OF WILKINSON  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 3,074</u>	<u>\$ -</u>

TOWN OF WILKINSON  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Fire Truck	\$ 107,340	\$ 18,360
Totals		<u>\$ 107,340</u>	<u>\$ 18,360</u>

TOWN OF WILKINSON  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 75,000
Buildings	1,576,636
Machinery, equipment and vehicles	<u>80,000</u>
Total governmental activities	<u>1,731,636</u>
Total capital assets	<u><u>\$ 1,731,636</u></u>

TOWN OF WILKINSON  
EXAMINATION RESULTS AND COMMENTS

**CONDITION OF RECORDS**

We identified the following issues with the condition of records:

- Depository reconciliations of the fund balances to the bank account balances were incorrect. At December 31, 2010, the bank balance was long by \$946.53. At December 31, 2011, the bank balance was short by \$874.73.
- There were a considerable number of posting errors and reporting errors. These errors included receipts not recorded appropriately in the ledgers and not classified appropriately on the annual report. All material errors identified were corrected on the financial statements presented.
- Adjustments are being made to the computer generated fund ledger by pencil and the adjustments are not being made in the computer system, which caused computer generated reports not to match to the financial statements.

A similar comment has appeared in prior reports, most recently B37056.

Indiana Code 5-13-6-1(e) states in part: "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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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)

**OFFICIAL BOND**

The Clerk-Treasurer was not properly bonded. The official bond filed in the office of the County Recorder was in the amount of \$15,000. Effective July 1, 2009, the minimum coverage was raised to \$30,000. The Clerk-Treasurer did not increase the amount of coverage for the examination period.

Indiana Code 5-4-1-18 states in part:

"Individual surety bonds for city, town, county, or township officers and employees; blanket bonds and crime policies; amount; review of amount; form

Sec. 18. (a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.

TOWN OF WILKINSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

***ANNUAL WITHHOLDING TAX WH-3 NOT FILED***

The Town of Wilkinson has not filed the annual withholding tax form (WH-3) with the Indiana Department of Revenue for 2010 or 2011.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should 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 7)

***CAPITAL ASSET RECORDS***

As similarly stated in prior Report B37056, the capital asset records were not sufficient. A capital asset listing was provided for the town and sewage assets; however, the police department is not maintaining capital assets. The fire department provided a listing of capital assets; however, the listing was not on the prescribed form, 211, nor on an alternate approved form.

TOWN OF WILKINSON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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 211. 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)

***PENALTIES, INTEREST, AND OTHER CHARGES***

Penalties and interest totaling \$32.16 were paid to the Internal Revenue Service on September 12, 2010.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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)

TOWN OF WILKINSON  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2012, with Janette Young, Clerk-Treasurer, and Richard Roberts, President of the Town Council.