

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

SUPPLEMENTAL EXAMINATION REPORT

OF

TOWN OF INGALLS – SPECIAL REPORT

MADISON COUNTY, INDIANA

April 21, 2011 to February 6, 2012



**FILED**  
01/03/2013



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TOWN OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	William Kipling Golden	01-01-08 to 12-31-15
President of the Town Council	Charles D. Dowden Cheryl Martin	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 INGALLS, MADISON COUNTY

We have examined the records of the Town of Ingalls for the period from April 21, 2011 to February 6, 2012, 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 Report of the Town of Ingalls for the year 2011.

STATE BOARD OF ACCOUNTS

August 27, 2012

TOWN OF INGALLS – SPECIAL REPORT  
EXAMINATION RESULTS AND COMMENTS

***UNDEPOSITED RECEIPTS - DANIEL KINCADE***

Beginning April 21, 2011 and continuing through February 6, 2012, Daniel Kincade, former Town employee, sold various items belonging to the Town of Ingalls to Gardner's Wrecking in Pendleton, Indiana, for scrap metal. Items sold included signs, metal water meter parts, batteries, and metal parts of equipment. An examination was performed of the receipts obtained by the Town from Gardner's Wrecking and a thorough review of the Register of Deposits and bank statements revealed that the cash paid to Daniel Kincade was not receipted or deposited to the records of the Town. However, the receipts obtained by the Town from Gardner's Wrecking indicate the receipts were issued to the Town of Ingalls. Pictures of items sold were provided by Gardner's Wrecking to the Town and were reviewed by Town officials who identified the items sold as Town property. Daniel Kincade's employment was terminated by the Town in February 2012. The total amount received by Daniel Kincade but not remitted or deposited to Town funds was \$3,789.24. The value of parts, batteries, and dismantled equipment which were scrapped could not be determined.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated 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."

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)

We requested that Daniel Kincade, former Town employee, reimburse the Town of Ingalls \$3,789.24 for collections not deposited. (See Summary of Charges, page 6)

***UNDEPOSITED RECEIPTS - DUANE HAMMEL***

Beginning June 6, 2011 and continuing through December 17, 2011, Duane Hammel, former Town employee, sold various items belonging to the Town of Ingalls to Gardner's Wrecking in Pendleton, Indiana, for scrap metal. Items sold included signs, metal water meter parts, batteries, and metal parts of equipment. An examination was performed of the receipts obtained by the Town from Gardner's Wrecking and a thorough review of the Register of Deposits and bank statements revealed that the cash paid to Duane Hammel was not receipted or deposited to the records of the Town. However, the receipts obtained by the Town from Gardner's Wrecking indicate the receipts were issued to the Town of Ingalls. Pictures of items sold were provided by Gardner's Wrecking to the Town and were reviewed by Town officials who identified the items sold as Town property. Duane Hammel's employment was terminated by the Town in February 2012. The total amount received by Duane Hammel but not remitted or deposited to Town funds was \$1,450.42. The value of parts, batteries, and dismantled equipment which were scrapped could not be determined.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated 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."

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)

We requested that Duane Hammel, former Town employee, reimburse the Town of Ingalls \$1,450.42 for collections not deposited. (See Summary of Charges, page 6)

***EMPLOYEE DISHONESTY INSURANCE***

The Town does not have insurance coverage for employee dishonesty.

TOWN OF INGALLS – SPECIAL REPORT  
EXIT CONFERENCE

The contents of this report were discussed on August 16, 2012, with William Kipling Golden, Clerk-Treasurer, and via telephone with Cheryl Martin, President of the Town Council.

The contents of this report were discussed on August 27, 2012, via telephone with Tim Green, Town Council member. The official concurred with our findings.

An exit conference was scheduled with Daniel Kincade, former Town employee, for 2:00 p.m. on August 27, 2012. Daniel Kincade did not attend the exit conference and did not request to reschedule the exit conference.

An exit conference was scheduled with Duane Hammel, former Town employee, for 3:00 p.m. on August 27, 2012. Duane Hammel did not attend the exit conference. The exit conference time was discussed over the phone with Duane Hammel and he requested to change the time of the scheduled exit conference; however, as of September 4, 2012, he had not contacted our offices with a time and date for the rescheduled exit conference.

TOWN OF INGALLS - SPECIAL REPORT  
SUMMARY OF CHARGES

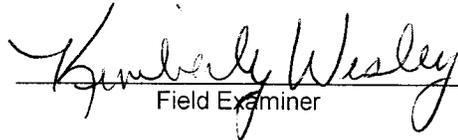
	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Daniel Kincade, former Town employee: Undeposited Receipts, page 4	\$ 3,789.24	\$ -	\$ 3,789.24
Duane Hammel, former Town employee: Undeposited Receipts, page 4	<u>1,450.42</u>	<u>-</u>	<u>1,450.42</u>
Totals	<u>\$ 5,239.66</u>	<u>\$ -</u>	<u>\$ 5,239.66</u>

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

AFFIDAVIT

STATE OF INDIANA            )  
  )  
Madison COUNTY)

I, Kimberly Wesley, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Town of Ingalls, Madison County, Indiana, for the period from April 21, 2011 to February 6, 2012, is true and correct to the best of my knowledge and belief.

  
Field Examiner

Subscribed and sworn to before me this 4<sup>th</sup> day of December, 2012

  
Notary Public

My Commission Expires: 2-14-2014

County of Residence: Madison