

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

AUDIT REPORT
OF

CLERK-TREASURER
TOWN OF WINDFALL
TIPTON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
01/16/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Internal Controls Over Financial Transactions and Reporting	4
Capital Asset Records	4
Overdrawn Fund Balances	5
Certified Report Not Filed	5
Hydrant Rental Payable.....	5
Delinquent Wastewater Accounts.....	6
Ordinances and Resolutions	6
Transaction Recording – Payroll Transfers	7
Overpayment Collections	7
Customer Deposit Register	7
Penalties, Interest, and Other Charges	8
Annual Report.....	8
Utility Receipts Tax.....	9
Sales Tax on Rental Facilities	9
Utility Adjustments	9
Receipt Issuance	9
Deposits.....	10
Distribution of Gross Revenues to Water Sinking Fund.....	10
Official Bond Not Filed.....	10
Supporting Documentation	11
Sales Tax Paid.....	11
Collection of Amounts Due	11
Distribution of Gross Revenues to Trustee – Wastewater Utility	11-12
Clerk-Treasurer's Salary Overpayment	12
Police Department Receipts	12-13
Official Bonds.....	13-14
Audit Costs – Condition of Records.....	14
Exit Conference.....	15
Summary of Charges	16
Affidavit	17

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Joni Pearson	01-01-10 to 07-29-11
	(Vacant)	07-30-11 to 08-07-11
	Carol Short	08-08-11 to 12-31-11
	Kay Clark	01-01-12 to 12-31-15
President of the Town Council	Jack Baugher	01-01-10 to 12-31-11
	Lonnie Kinder	01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WINDFALL

We have examined the records of the Clerk-Treasurer 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 Audit Results and Comments. The financial transactions of this office are reflected in the Biennial Report of the Town of Windfall for the years 2010 and 2011.

STATE BOARD OF ACCOUNTS

August 9, 2012

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the Town related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. **Lack of Segregation of Duties:** Control activities should be selected and developed at various levels of the Town to reduce risks to achievement of financial reporting objectives. The Town has not separated incompatible activities related to receipts, utility billings and collections, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Town's audited financial statements and then determining how those identified risks should be managed. The Town has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the Town Board to monitor and assess the quality of the Town's system of internal control. The Town Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the Town at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the Town has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The Town has updated their capital asset records for the completed federal project assets; however, the records are not complete for all assets owned by the Town and Utilities.

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)

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn at December 31, 2010 and 2011, respectively:

Fund	Years	Amount Overdrawn
Law Enforcement Continuing Education	2010	\$ (47)
Debt Service Town Hall	2010	(3,810)
Payroll	2010	(237,213)
Trash Utility - Operating	2010	(24,932)
Debt Service Town Hall	2011	(4,227)
Payroll	2011	(261,447)
Trash Utility - Operating	2011	(61,554)

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CERTIFIED REPORT NOT FILED

The Town did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) in a timely matter with the State Board of Accounts for the year 2010.

Indiana Code 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."

HYDRANT RENTAL PAYABLE

The Water Utility Rate Ordinance, in effect during the audit period, indicates that a \$23.25 monthly charge for each hydrant was to be used as a basis for the rental payments to the Water Utility. Per inquiry of the Utility Superintendent, there are 52 hydrants in the Town. Accordingly, the hydrant rental to be paid by the Town to the Water Utility should be \$14,508.00 per year. A rental payment was made by the Town in December of 2010 for \$13,950.00 and in December of 2011 for \$13,950.00 to the Windfall Water Utility. There is a hydrant rent payable balance to the Water Utility in the amount of \$4,248.52 at the beginning of the audit period. At December 31, 2011, the Town had a hydrant rent payable to the Water Utility in the amount of \$5,364.52.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
 - (B) A description of the premises, as shown by the records of the county auditor; and
 - (C) The amount of the delinquent fees, together with the penalty; or
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

ORDINANCES AND RESOLUTIONS

The Unit has a rate ordinance for the Water, Wastewater, and Trash Utilities to bill customers every month; however, the unit did not send out bills for July or August 2011. Also, neither payments nor penalties were being posted timely during 2011.

The Water Utility has an ordinance for a shut off policy if payments are not made timely; however, this ordinance is not being enforced.

The Unit does not have a board approved ordinance or resolution for the unit's Travel Policy, Credit Card Policy, or Leak Adjustment Policy.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

TRANSACTION RECORDING - PAYROLL TRANSFERS

During the audit period, calculated amounts due from the General Fund, Water and Wastewater Utilities for payroll were not transferred between the funds or the respective bank accounts. This resulted in the payroll fund balance being overstated on the Town's records. As of December 31, 2011, the General Fund owed the Payroll Fund \$1,439.55, the Water Utility owed the Payroll Fund \$87,654.10, and the Wastewater Utility owed the Payroll Fund \$149,743.03.

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)

OVERPAYMENT COLLECTIONS

The Town deposits all utility collections to the Water Utility Operating fund bank account. Collections for both the Wastewater Utility and Trash are then transferred to the respective funds. As reported in prior Report B32441, collections made from January 2006 through April 2006 were transferred twice to the Wastewater Utility Operating fund and Trash fund. At December 31, 2011, the Wastewater Utility had a balance due to the Water Utility in the amount of \$18,223.33 and the Water Utility had a balance due to the Trash fund in the amount of \$435.72.

Also, overpayments were made to the Indiana Department of Revenue, Indiana Department of Workforce Development, and Internal Revenue Service in the amounts of \$36,659.69, \$1,225.44, and \$3,500.00, respectively. As of July 31, 2012, the overpaid balance remaining was \$900.45 for the Indiana Department of Revenue, \$1,225.44 for the Indiana Department of Workforce Development, and \$3,500 for the Internal Revenue Service.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger.

At all times, the manual and 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)

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

The payment of penalties, interest, other charges, and overpayments was noted as follows through December 31, 2011:

Type of Tax	Joni Pearson	Carol Short	Totals
Penalties and Interest Paid:			
State Sales Tax	\$ 1,016.33	\$ 633.99	\$ 1,650.32
State and County Withholding Tax	322.57	136.23	458.80
Utility Receipts Tax	320.00	-	320.00
Federal Withholding and FICA Tax	2,194.73	396.41	2,591.14
Workforce Development Tax	-	132.48	132.48
Total Penalties and Interest Paid	<u>\$ 3,853.63</u>	<u>\$ 1,299.11</u>	<u>\$ 5,152.74</u>

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)

The former Clerk-Treasurer, Joni Pearson, was requested to reimburse the Town and Water Utility \$3,853.63 (Town - \$2,517.30, Water Utility - \$1,336.33). (See Summary of Charges, page 16)

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Town and Water Utility \$1,299.11 (Town - \$665.12, Water Utility - \$633.99). (See Summary of Charges, page 16)

ANNUAL REPORT

The annual report for 2010 was not submitted in a timely manner.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

UTILITY RECEIPTS TAX

The Water Utility did not pay Utility Receipts Tax to the Indiana Department of Revenue based upon sales of services during the audit period. Instead, the amount of collections was used to calculate the amount due. Also, payments made to the Indiana Department of Revenue were not paid in a timely matter.

Generally, retail receipts from all utility services consumed within Indiana are subject to the utility receipts tax regardless of the point of generation or transmission across state lines. Receipts from the provision of mobile telecommunication service are subject to utility receipts tax to the extent that the receipts are sourced to Indiana pursuant to IC 6-8.1-15. However, gross receipts received by a political subdivision for sewage and sewage service are not subject to the tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SALES TAX ON RENTAL OF FACILITIES

The Town did not collect from customers or remit to the Indiana Department of Revenue, sales tax for rental services of the Community Center.

Collections by a city or town from the retail sale of tangible personal property, utility services, or commodities in the performance of private or proprietary activities are subject to sales tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All questions concerning the law or procedure for paying and collecting sales tax should be directed to the Indiana Department of Revenue, Sales Tax Division. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

UTILITY ADJUSTMENTS

Some adjustments were made to utility accounts without retaining recommended audit trails, including adjustments made by Carol Short, former Clerk-Treasurer, to her own account in the amount of \$486.24. There was no information presented to show that the Town Council approved these adjustments.

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Water and Wastewater Utilities \$486.24 (Water Utility - \$362.41, Wastewater Utility - \$123.83). (See Summary of Charges, page 16)

RECEIPT ISSUANCE

There were numerous instances noted where the Clerk-Treasurer did not issue or record receipts for monies collected.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day.

Also, the payments posted to the customer utility accounts were greater than the amounts deposited into the bank account by the amount of \$2,411.32 for the months August through December 2011.

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: (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Water Utility \$2,411.32. (See Summary of Charges, page 16)

DISTRIBUTION OF GROSS REVENUES TO WATER SINKING FUND

As stated in the prior Report B37735, deposits to the Water Utility Sinking Fund bank account, as required by the United States Department of Agriculture Rural Development agreement, were not made on a timely basis throughout 2010 and 2011. As a result the account did not have a sufficient balance to cover payments due, resulting in payments being made from other Town funds instead of the Sinking Fund. Also, during the audit period, \$40,087.56 and \$38,012.16 was transferred from Wastewater and Town funds, respectively, to pay the debt of the Water Utility. These amounts had not been repaid to the respective funds as of the date of this audit.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility. Expenditures for city and town operating costs should not be paid from utility funds. Furthermore, utility funds should not be used to pay for personal items. The cost of shared employees and equipment between a city or town and its utilities or between utilities should be prorated in a rational manner. Establishment of a Cash Reserve Fund permits transfer of surplus utility funds to the city or town general fund. After appropriation, such transferred funds may then be used for any legal general fund purpose. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BOND NOT FILED

The official bond for Carol Short was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . ."

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

SUPPORTING DOCUMENTATION

Several payments were observed which were not supported by adequate documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. In addition, two payments were made to cash to reimburse the Cash Change Fund and one to pay for postage; however, no receipts were attached. The three payments totaled \$200.70. During the audit we also noted a \$50 receipt of cash that was not deposited into the unit's bank account.

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)

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Town \$250.70 for the checks written to cash without documentation and the receipt that was not deposited. (See Summary of Charges, page 16)

SALES TAX PAID

Sales tax was paid on some purchases during the audit period. Of the claims reviewed, we noted \$45.65 of sales tax paid.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COLLECTION OF AMOUNTS DUE

The amount of \$247,963.10 was due from customers for water, wastewater and trash services as of July 31, 2012. Of this amount, \$197,887.85 (approximately 80 percent) was overdue at least 90 days.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DISTRIBUTION OF GROSS REVENUES TO TRUSTEE - WASTEWATER UTILITY

As stated in the prior Report B37735, during the audit period, monthly transfers of revenues (15 out of 24 months) were not distributed to the Trustee (Paying Agent) for the Wastewater Revenue Bonds in accordance with the Services Agreement signed June 1, 2000. In addition, at December 31, 2011, \$21,337.42 was due to the Trustee for transfers not made.

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER'S SALARY OVERPAYMENT

The former Clerk-Treasurer, Carol Short, received salary that exceeded the salary ordinance in effect for 2011 in the amount of \$1,167.00.

Indiana Code 36-5-3-2 states in part:

"(a) As used in this section, "compensation" means the total of all money paid to an elected town officer for performing duties a town officer, regardless of the source of the funds from which the money is paid.

(b) The Town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees.

(c) The compensation of an elected town official may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

(d) The legislative body may provide that town officers and employees received additional compensation for services that:

(1) are performed for the town;

(2) are not governmental in nature; and (3) are connected with the operation of a municipally owned utility or function. Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function."

Compensation of all town officers and employees shall be fixed by an ordinance of the town council and, for other than elected town officials, this compensation may be changed by other ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. (IC 36-5-3-2) At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available funds. (Cities and Towns Bulletin and Uniform Compliance Guidelines, June, 2009)

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Town \$1,167.00. (See Summary of Charges, page 16)

POLICE DEPARTMENT RECEIPTS

The Police Department was not issuing receipts for gun permit monies collected. The Town Marshal has started complying with this process prior to the completion of the audit.

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

Also, during the year 2011, there were 15 instances of gun permit collections, totaling \$710.00, without any documentation available indicating that these collections were receipted into the records by the Clerk-Treasurer. During 2011, the Town Marshal started obtaining receipts for all collections remitted.

Indiana Code 35-47-2-3 states in part:

"(b) The law enforcement agency which accepts an application for a handgun license shall collect the following application fees:

- (1) From a person applying for a four (4) year handgun license, a ten dollar (\$10) application fee, five dollars (\$5) of which shall be refunded if the license is not issued.
- (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty dollar (\$50) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued.
- (3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a forty dollar (\$40) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued."

In keeping with the provisions of this statute, the following procedure is prescribed for accounting for such application fees:

- (1) Issue a Receipt, General Form No. 352, for each fee collected.
- (2) Remit receipts to the clerk-treasurer or controller at least once each week.
- (3) The clerk-treasurer or controller shall issue a official receipt for remittance specifying on such receipt the number of general receipts accounted for. (For example: General Receipt Nos. 1-4, \$40.00)
- (4) The clerk-treasurer or controller shall receipt the fees to the local law enforcement continuing education fund and deposit such receipts in the municipality's general corporation bank account. A separate depository account is not required.
- (5) If the application is turned down, a refund shall be made from the local law enforcement continuing education fund without appropriation upon the basis of the claim filed, allowed and paid in the proper legal manner. No refunds are to be made from any other fund of the unit.

(Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

The Town Marshal, Shaun Schambers, was requested to reimburse the Town \$710.00. (See Summary of Charges, page 16)

OFFICIAL BONDS

Official bonds for Joni Pearson, former Clerk-Treasurer, were obtained and covered the period January 1, 2010 to July 29, 2011. An official bond for Carol Short, former Clerk-Treasurer, was obtained and covered the period August 8, 2011 to December 31, 2011. The guarantor for all bonds was Western Surety Company.

CLERK-TREASURER
TOWN OF WINDFALL
AUDIT RESULTS AND COMMENTS
(Continued)

AUDIT COSTS - CONDITION OF RECORDS

Additional audit time was required to audit financial statements and other information necessary for the audit report. The State of Indiana incurred additional audit costs in the amount of \$9,080.50.

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The former Clerk-Treasurer, Joni Pearson, was requested to reimburse the Town \$3,695.91. (See Summary of Charges, page 16)

The former Clerk-Treasurer, Carol Short, was requested to reimburse the Town \$5,384.59. (See Summary of Charges, page 16)

CLERK-TREASURER
TOWN OF WINDFALL
EXIT CONFERENCE

The contents of this report were scheduled to be discussed on September 27, 2012, with Joni Pearson, former Clerk-Treasurer. The certified letter inviting Joni Pearson to this conference was signed for on September 20, 2012, but she did not attend.

The contents of this report were scheduled to be discussed on October 3, 2012, with Carol Short, former Clerk-Treasurer. The hand delivered letter inviting Carol Short to this conference was signed for on October 1, 2012, but she did not attend.

The contents of this report were discussed on October 4, 2012, with Kay Clark, Clerk-Treasurer; Lonnie Kinder, President of the Town Council; and Roy Brown, Council member. The officials concurred with our audit findings.

CLERK-TREASURER
TOWN OF WINDFALL
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Joni Pearson, former Clerk-Treasurer:			
Penalties, Interest, and Other Charges, page 8	\$ 3,853.63	\$ -	\$ 3,853.63
Audit Costs, page 14	<u>3,695.91</u>	<u>-</u>	<u>3,695.91</u>
Total for Joni Pearson, former Clerk-Treasurer	<u>7,549.54</u>	<u>-</u>	<u>7,549.54</u>
Carol Short, former Clerk-Treasurer:			
Penalties, Interest and Other Charges, page 8	1,299.11	-	1,299.11
Utility Adjustments, page 9	486.24	-	486.24
Deposits, page 10	2,411.32	-	2,411.32
Supporting Documentation - Cash Disbursements, page 11	200.70	-	200.70
Supporting Documentaion - Receipt Not Deposited, page 11	50.00	-	50.00
Clerk-Treasurer's Salary Overpayment, page 12	1,167.00	-	1,167.00
Audit Costs, page 14	<u>5,384.59</u>	<u>-</u>	<u>5,384.59</u>
Total for Carol Short, former Clerk-Treasurer	<u>10,998.96</u>	<u>-</u>	<u>10,998.96</u>
Shaun Chambers, Town Marshall:			
Police Department Receipts, pages 12 and 13	<u>710.00</u>	<u>-</u>	<u>710.00</u>
Totals	<u>\$ 19,258.50</u>	<u>\$ -</u>	<u>\$ 19,258.50</u>

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

AFFIDAVIT

STATE OF INDIANA)
Howard COUNTY)

I, Lori Danford, being duly sworn on my oath, state that the foregoing report based on the official records of the Clerk-Treasurer, Town of Windfall, Indiana, for the period from January 1, 2010 to December 31, 2011, is true and correct to the best of my knowledge and belief.

Lori Danford
Field Examiner

Subscribed and sworn to before me this 29 day of October, 2012.

Tamra J. Howard
Notary Public

My Commission Expires: July 9, 2016
County of Residence: Howard

TAMRA J. HOWARD
NOTARY PUBLIC
STATE OF INDIANA, HOWARD COUNTY
NY COMMISSION EXPIRES JULY 9, 2016