

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF GASTON

DELAWARE COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
02/27/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Krista Harris	06-25-10 to 12-31-15
President of the Town Council	Audra Koontz	01-01-11 to 12-31-11
	Joe Hardwick	01-01-12 to 12-31-12
	Jay Beeson	01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF GASTON, DELAWARE COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Gaston (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 statement 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 statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, 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 statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 28, 2013

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FINANCIAL STATEMENT

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

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TOWN OF GASTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments			Cash and Investments			Cash and Investments		
	01-01-11	Receipts	Disbursements	12-31-11	Receipts	Disbursements	12-31-12		
GENERAL FUND	\$ 61,116	\$ 229,193	\$ 229,665	\$ 60,644	\$ 235,874	\$ 233,128	\$ 63,390		
MOTOR VEHICLE HIGHWAY	16,032	27,928	26,354	17,606	31,083	20,770	27,919		
LOCAL ROAD & STREET	47,762	25,044	27,147	45,659	29,198	21,215	53,642		
LOCAL LAW ENF CONT ED	2,646	530	-	3,176	784	-	3,960		
RAINY DAY FUND	7,318	-	-	7,318	-	1,733	5,585		
ECONOMIC DEV INCOME TAX	32,888	9,160	-	42,048	15,881	1,500	56,429		
LEVY EXCESS FUND	520	-	-	520	-	-	520		
CUM CAP IMP- CIG TAX	9,686	-	2,325	7,361	-	-	7,361		
RIVERBOAT FUND	22,876	6,321	-	29,197	-	2,241	26,956		
PARK DONATION	17	-	-	17	-	-	17		
COMMUNITY CENTER FUND	4,146	769	-	4,915	830	-	5,745		
PAYROLL- NET PAY	-	169,223	169,223	-	176,329	175,836	493		
PAYROLL FEDERAL WITHHOLDING	350	16,602	16,357	595	17,445	18,043	(3)		
PAYROLL FICA WITHHOLDING	2,147	24,434	25,223	1,358	22,616	23,254	720		
PAYROLL MEDICARE WITHHOLDING	347	6,208	6,221	334	6,153	6,484	3		
PAYROLL STATE WITHHOLDING	312	7,729	7,733	308	7,682	7,971	19		
PAYROLL COUNTY ADJ. GR INC TAX	138	1,852	1,819	171	2,027	2,090	108		
PAYROLL INS 1.00 WITHHOLDING	6	-	-	6	-	-	6		
PAYROLL GARNISHMENT	35	765	513	287	163	-	450		
PAYROLL SUPPORT	231	6,072	4,734	1,569	3,561	5,033	97		
PAYROLL UNKNOWN	2,367	68	-	2,435	-	-	2,435		
PAYROLL AFLAC POST	(28)	7	-	(21)	-	-	(21)		
PAYROLL AFLAC PRE	10	-	-	10	-	-	10		
CASH ON HAND	50	-	-	50	-	-	50		
SEWAGE UTILITY OPERATION	37,163	228,885	226,988	39,060	224,148	182,841	80,367		
SEWAGE UTILITY DEPRECIATION	6,193	1,200	-	7,393	1,200	-	8,593		
REPAYMENT OF WATER LOAN	4,000	-	-	4,000	-	-	4,000		
SEWAGE LOAN STAR BANK	9,103	19,600	19,829	8,874	19,600	17,829	10,645		
SEWAGE TRUCK LOAN	301	3,718	3,795	224	3,239	3,795	(332)		
LOAN FROM WATER TO SEWAGE	14,000	12,000	-	26,000	12,000	-	38,000		
NSF	1,571	1,804	1,401	1,974	977	974	1,977		
WATER UTILITY OPERATING	53,653	165,209	181,537	37,325	170,887	167,229	40,983		
WATER UTILITY BOND & INTEREST	5,806	-	-	5,806	-	-	5,806		
WATER UTILITY DEPRECIATION	7,244	1,200	-	8,444	1,200	-	9,644		
WATER UTILITY METER DEPOSIT	20,567	3,600	3,114	21,053	4,600	3,300	22,353		
WATER TRUCK LOAN	301	3,718	3,795	224	3,239	3,795	(332)		
Totals	\$ 370,874	\$ 972,839	\$ 957,773	\$ 385,940	\$ 990,716	\$ 899,061	\$ 477,595		

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

TOWN OF GASTON
NOTES TO FINANCIAL STATEMENT

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 statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 statement. 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.

TOWN OF GASTON
NOTES TO FINANCIAL STATEMENT
(Continued)

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, 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).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

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 statement. 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.

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

TOWN OF GASTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

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.

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.

TOWN OF GASTON
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF GASTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

Note 7. Other Postemployment Benefits

The Town provides to eligible retirees and their spouses the following benefit: health insurance. This benefit poses a liability to the Town for this year and in future years. Information regarding the benefit can be obtained by contacting the Town.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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

Differences may be noted between the financial information presented in the financial statement 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 statement 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 GASTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	RAINY DAY FUND	ECONOMIC DEV INCOME TAX	LEVY EXCESS FUND	CUM CAP IMP- CIG TAX	RIVERBOAT FUND	PARK DONATION
Cash and investments - beginning	\$ 61,116	\$ 16,032	\$ 47,762	\$ 2,646	\$ 7,318	\$ 32,888	\$ 520	\$ 9,686	\$ 22,876	\$ 17
Receipts:										
Taxes	190,099	-	16,810	-	-	-	-	-	-	-
Licenses and permits	75	-	-	341	-	-	-	-	-	-
Intergovernmental	31,895	27,928	8,234	-	-	9,160	-	-	6,321	-
Charges for services	3,782	-	-	189	-	-	-	-	-	-
Fines and forfeits	150	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-
Other receipts	3,192	-	-	-	-	-	-	-	-	-
Total receipts	229,193	27,928	25,044	530	-	9,160	-	-	6,321	-
Disbursements:										
Personal services	132,985	25,719	-	-	-	-	-	-	-	-
Supplies	17,567	520	48	-	-	-	-	-	-	-
Other services and charges	78,976	115	-	-	-	-	-	2,325	-	-
Capital outlay	137	-	27,099	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-
Total disbursements	229,665	26,354	27,147	-	-	-	-	2,325	-	-
Excess (deficiency) of receipts over disbursements	(472)	1,574	(2,103)	530	-	9,160	-	(2,325)	6,321	-
Cash and investments - ending	\$ 60,644	\$ 17,606	\$ 45,659	\$ 3,176	\$ 7,318	\$ 42,048	\$ 520	\$ 7,361	\$ 29,197	\$ 17

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

	COMMUNITY CENTER FUND	PAYROLL- NET PAY	PAYROLL FEDERAL WITHHOLDING	PAYROLL FICA WITHHOLDING	PAYROLL MEDICARE WITHHOLDING	PAYROLL STATE WITHHOLDING	PAYROLL COUNTY ADJ. GR INC TAX	PAYROLL INS 1.00 WITHHOLDING	PAYROLL GARNISHMENT
Cash and investments - beginning	\$ 4,146	\$ -	\$ 350	\$ 2,147	\$ 347	\$ 312	\$ 138	\$ 6	\$ 35
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	769	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	-	169,223	16,602	24,434	6,208	7,729	1,852	-	765
Total receipts	769	169,223	16,602	24,434	6,208	7,729	1,852	-	765
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	169,223	16,357	25,223	6,221	7,733	1,819	-	513
Total disbursements	-	169,223	16,357	25,223	6,221	7,733	1,819	-	513
Excess (deficiency) of receipts over disbursements	769	-	245	(789)	(13)	(4)	33	-	252
Cash and investments - ending	\$ 4,915	\$ -	\$ 595	\$ 1,358	\$ 334	\$ 308	\$ 171	\$ 6	\$ 287

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

	PAYROLL SUPPORT	PAYROLL UNKNOWN	PAYROLL AFLAC POST	PAYROLL AFLAC PRE	CASH ON HAND	SEWAGE UTILITY OPERATION	SEWAGE UTILITY DEPRECIATION	REPAYMENT OF WATER LOAN	SEWAGE LOAN STAR BANK
Cash and investments - beginning	\$ 231	\$ 2,367	\$ (28)	\$ 10	\$ 50	\$ 37,163	\$ 6,193	\$ 4,000	\$ 9,103
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	217,195	-	-	-
Penalties	-	-	-	-	-	11,642	-	-	-
Other receipts	6,072	68	7	-	-	48	1,200	-	19,600
Total receipts	6,072	68	7	-	-	228,885	1,200	-	19,600
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	140,471	-	-	-
Other disbursements	4,734	-	-	-	-	86,517	-	-	19,829
Total disbursements	4,734	-	-	-	-	226,988	-	-	19,829
Excess (deficiency) of receipts over disbursements	1,338	68	7	-	-	1,897	1,200	-	(229)
Cash and investments - ending	\$ 1,569	\$ 2,435	\$ (21)	\$ 10	\$ 50	\$ 39,060	\$ 7,393	\$ 4,000	\$ 8,874

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

	SEWAGE TRUCK LOAN	LOAN FROM WATER TO SEWAGE	NSF	WATER UTILITY OPERATING	WATER UTILITY BOND & INTEREST	WATER UTILITY DEPRECIATION	WATER UTILITY METER DEPOSIT	WATER TRUCK LOAN	Totals
Cash and investments - beginning	\$ 301	\$ 14,000	\$ 1,571	\$ 53,653	\$ 5,806	\$ 7,244	\$ 20,567	\$ 301	\$ 370,874
Receipts:									
Taxes	-	-	-	-	-	-	-	-	206,909
Licenses and permits	-	-	-	-	-	-	-	-	416
Intergovernmental	-	-	-	-	-	-	-	-	83,538
Charges for services	-	-	-	-	-	-	-	-	4,740
Fines and forfeits	-	-	-	-	-	-	-	-	150
Utility fees	-	-	1,804	155,037	-	-	-	-	374,036
Penalties	-	-	-	838	-	-	-	-	12,480
Other receipts	3,718	12,000	-	9,334	-	1,200	3,600	3,718	290,570
Total receipts	3,718	12,000	1,804	165,209	-	1,200	3,600	3,718	972,839
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	158,704
Supplies	-	-	-	-	-	-	-	-	18,135
Other services and charges	-	-	-	-	-	-	-	-	81,416
Capital outlay	-	-	-	-	-	-	-	-	27,236
Utility operating expenses	-	-	1,401	176,619	-	-	-	-	318,491
Other disbursements	3,795	-	-	4,918	-	-	3,114	3,795	353,791
Total disbursements	3,795	-	1,401	181,537	-	-	3,114	3,795	957,773
Excess (deficiency) of receipts over disbursements	(77)	12,000	403	(16,328)	-	1,200	486	(77)	15,066
Cash and investments - ending	\$ 224	\$ 26,000	\$ 1,974	\$ 37,325	\$ 5,806	\$ 8,444	\$ 21,053	\$ 224	\$ 385,940

TOWN OF GASTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	LOCAL LAW ENF CONT ED	RAINY DAY FUND	ECONOMIC DEV INCOME TAX	LEVY EXCESS FUND	CUM CAP IMP- CIG TAX	RIVERBOAT FUND	PARK DONATION
Cash and investments - beginning	\$ 60,644	\$ 17,606	\$ 45,659	\$ 3,176	\$ 7,318	\$ 42,048	\$ 520	\$ 7,361	\$ 29,197	\$ 17
Receipts:										
Taxes	186,927	5,585	22,019	-	-	15,881	-	-	-	-
Licenses and permits	638	-	-	676	-	-	-	-	-	-
Intergovernmental	-	25,498	7,179	-	-	-	-	-	-	-
Charges for services	4,644	-	-	108	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-
Other receipts	43,665	-	-	-	-	-	-	-	-	-
Total receipts	<u>235,874</u>	<u>31,083</u>	<u>29,198</u>	<u>784</u>	<u>-</u>	<u>15,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Personal services	158,132	15,897	-	-	-	-	-	-	-	-
Supplies	856	-	-	-	-	-	-	-	-	-
Other services and charges	73,890	3,571	-	-	1,733	1,500	-	-	2,241	-
Capital outlay	250	791	21,215	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	511	-	-	-	-	-	-	-	-
Total disbursements	<u>233,128</u>	<u>20,770</u>	<u>21,215</u>	<u>-</u>	<u>1,733</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>2,241</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,746</u>	<u>10,313</u>	<u>7,983</u>	<u>784</u>	<u>(1,733)</u>	<u>14,381</u>	<u>-</u>	<u>-</u>	<u>(2,241)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 63,390</u>	<u>\$ 27,919</u>	<u>\$ 53,642</u>	<u>\$ 3,960</u>	<u>\$ 5,585</u>	<u>\$ 56,429</u>	<u>\$ 520</u>	<u>\$ 7,361</u>	<u>\$ 26,956</u>	<u>\$ 17</u>

TOWN OF GASTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	COMMUNITY CENTER FUND	PAYROLL- NET PAY	PAYROLL FEDERAL WITHHOLDING	PAYROLL FICA WITHHOLDING	PAYROLL MEDICARE WITHHOLDING	PAYROLL STATE WITHHOLDING	PAYROLL COUNTY ADJ. GR INC TAX	PAYROLL INS 1.00 WITHHOLDING	PAYROLL GARNISHMENT
Cash and investments - beginning	\$ 4,915	\$ -	\$ 595	\$ 1,358	\$ 334	\$ 308	\$ 171	\$ 6	\$ 287
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	830	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	-	176,329	17,445	22,616	6,153	7,682	2,027	-	163
Total receipts	830	176,329	17,445	22,616	6,153	7,682	2,027	-	163
Disbursements:									
Personal services	-	175,817	18,043	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	19	-	23,254	6,484	7,971	2,090	-	-
Total disbursements	-	175,836	18,043	23,254	6,484	7,971	2,090	-	-
Excess (deficiency) of receipts over disbursements	830	493	(598)	(638)	(331)	(289)	(63)	-	163
Cash and investments - ending	\$ 5,745	\$ 493	\$ (3)	\$ 720	\$ 3	\$ 19	\$ 108	\$ 6	\$ 450

TOWN OF GASTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	PAYROLL SUPPORT	PAYROLL UNKNOWN	PAYROLL AFLAC POST	PAYROLL AFLAC PRE	CASH ON HAND	SEWAGE UTILITY OPERATION	SEWAGE UTILITY DEPRECIATION	REPAYMENT OF WATER LOAN	SEWAGE LOAN STAR BANK
Cash and investments - beginning	\$ 1,569	\$ 2,435	\$ (21)	\$ 10	\$ 50	\$ 39,060	\$ 7,393	\$ 4,000	\$ 8,874
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	217,667	-	-	-
Penalties	-	-	-	-	-	6,481	-	-	-
Other receipts	3,561	-	-	-	-	-	1,200	-	19,600
Total receipts	3,561	-	-	-	-	224,148	1,200	-	19,600
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	182,841	-	-	17,829
Other disbursements	5,033	-	-	-	-	-	-	-	-
Total disbursements	5,033	-	-	-	-	182,841	-	-	17,829
Excess (deficiency) of receipts over disbursements	(1,472)	-	-	-	-	41,307	1,200	-	1,771
Cash and investments - ending	\$ 97	\$ 2,435	\$ (21)	\$ 10	\$ 50	\$ 80,367	\$ 8,593	\$ 4,000	\$ 10,645

TOWN OF GASTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	SEWAGE TRUCK LOAN	LOAN FROM WATER TO SEWAGE	NSF	WATER UTILITY OPERATING	WATER UTILITY BOND & INTEREST	WATER UTILITY DEPRECIATION	WATER UTILITY METER DEPOSIT	WATER TRUCK LOAN	Totals
Cash and investments - beginning	\$ 224	\$ 26,000	\$ 1,974	\$ 37,325	\$ 5,806	\$ 8,444	\$ 21,053	\$ 224	\$ 385,940
Receipts:									
Taxes	-	-	-	-	-	-	-	-	230,412
Licenses and permits	-	-	-	-	-	-	-	-	1,314
Intergovernmental	-	-	-	-	-	-	-	-	32,677
Charges for services	-	-	-	-	-	-	-	-	5,582
Utility fees	-	-	-	170,043	-	-	-	-	387,710
Penalties	-	-	-	844	-	-	-	-	7,325
Other receipts	3,239	12,000	977	-	-	1,200	4,600	3,239	325,696
Total receipts	3,239	12,000	977	170,887	-	1,200	4,600	3,239	990,716
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	367,889
Supplies	-	-	-	-	-	-	-	-	856
Other services and charges	-	-	-	-	-	-	-	-	82,935
Capital outlay	-	-	-	-	-	-	-	-	22,256
Utility operating expenses	-	-	974	167,229	-	-	3,300	-	372,173
Other disbursements	3,795	-	-	-	-	-	-	3,795	52,952
Total disbursements	3,795	-	974	167,229	-	-	3,300	3,795	899,061
Excess (deficiency) of receipts over disbursements	(556)	12,000	3	3,658	-	1,200	1,300	(556)	91,655
Cash and investments - ending	\$ (332)	\$ 38,000	\$ 1,977	\$ 40,983	\$ 5,806	\$ 9,644	\$ 22,353	\$ (332)	\$ 477,595

TOWN OF GASTON
SCHEDULE OF RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Receivable</u>
Wastewater Utility	\$ 31,052
Water Utility	<u>17,633</u>
Total	<u>\$ 48,685</u>

TOWN OF GASTON
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater Utility:			
Notes and loans payable	Star Financial Loan Payable #16781429	\$ 7,494	\$ 7,574
Notes and loans payable	Star Financial Loan Payable #16780868	<u>109,814</u>	<u>17,829</u>
Total Wastewater Utility		<u>117,308</u>	<u>25,403</u>
Totals		<u>\$ 117,308</u>	<u>\$ 25,403</u>

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TOWN OF GASTON
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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. Capital assets are not separated between governmental activities and business-type activities.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 5,501
Infrastructure	666,378
Buildings	410,000
Machinery, equipment, and vehicles	<u>851,750</u>
Total governmental activities	<u>\$ 1,933,629</u>

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Annual Report for 2011, was not timely filed and contained a material error and did not properly reflect the financial activity of the Town. The repayment of a promissory note in the amount of \$50,000 was not included in the Annual Report.

The Annual Report for 2012 contained several material errors and did not properly reflect the financial activity of the Town. Bank reconciliations were not complete at the time the Annual Report was filed. Adjustments were made to the Annual Report based on corrected bank reconciliations performed after the filing of the Annual Report.

Adjustments to the financial statements have been made with the approval of the Clerk-Treasurer.

The Annual Report did not disclose payments to nongovernmental units.

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

"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. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

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.

(C) The amount of the delinquent fees, together with the penalty.

(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 . . .

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

(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."

DELINQUENT WATER ACCOUNTS

The Town has an ordinance concerning discontinuance of water service for delinquent utility accounts. Ordinance No. 2007-02 states in part: "That if a Town of Gaston Resident does not pay his/her water bill within thirty (30) days after the due date thereof, a written notice of discontinuance of service shall be mailed to delinquent customer, or personally delivered to him/her or a member of said household, at least ten (10) days before shutting off service."

The balances subject to shut off, which include water and wastewater balances, represented 21 percent and 24 percent of total Accounts Receivable at December 31, 2011 and 2012, respectively. There were 15 and 7 customers at December 31, 2011 and 2012, respectively, receiving services but should have been shut off. The Clerk-Treasurer's account balance represented a customer receiving services but should have been shut off at December 31, 2011.

The Town has an ordinance concerning billing practices which addresses procedures for making adjustments to utility accounts. Ordinance No. 1999-12 states in part: "Adjustments to be made on leaks for water and sewage costs will be given only after the customer has corrected the condition causing the leak and sign an adjustment voucher in the utility office. . . . Each month the adjustments made will be presented to the Council President for review of adjustments given."

A review of employee History Printouts indicated there were three unsupported adjustments totaling \$403.08 made to the Clerk-Treasurer's account in 2012. There were no Leak Adjustment forms or other documentation supporting the adjustments. It was verified that at least two of the three adjustments were made by the Clerk-Treasurer. Adjustments were not presented to the Council President for review. Krista Harris repaid \$403.08 to the Town subsequent to our exit conference. (See Summary of Charges, page 39)

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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations were not correct. The Clerk-Treasurer simply adjusted the monthly bank reconciliation to agree with the records for nine months of the examination period. These adjustments ranged from the record balance exceeding the bank balance by \$96.40 to the bank balance exceeding the record balance by \$1,460. In addition, identified errors, noted prior to January 1, 2011, and during 2011 and 2012, were never corrected in the records. Finally, original checks were manually marked "void"; however, these checks were not entered into the accounting system.

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."

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

PURCHASING POLICIES

As noted in prior Report B39638 and during the current examination period, the Town did not establish purchasing policies for the purchase of items with a dollar amount below \$50,000.

Indiana Code 5-22-8-2 states:

"(a) This section applies only if the purchasing agent expects the purchase to be less than fifty thousand dollars (\$50,000).

(b) A purchasing agent may make a purchase under small purchase policies established by the purchasing agency or under rules adopted by the governmental body."

FUEL PURCHASES

A review of fuel purchases for the Police Department for February 2012 and November 2012 was performed. Individual fuel tickets were attached to the claim and supported the amount disbursed. We requested work schedules for February 2012 and November 2012 and fuel logs from the Police Department in order to verify fuel purchases were for Town purposes. These records were not presented for examination.

Due to the lack of supporting information, we could not verify that the fuel purchases were for Town purposes.

Indiana Code 5-15-6-3(f), concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

ORDINANCES AND RESOLUTIONS - PAYROLL

As noted in prior Report B39638 and during in the current examination period, several employees were not paid according to the ordinance. The following overpayments and underpayments were noted:

Krista Harris, Clerk-Treasurer, was overpaid \$550.57 in 2011 due to issuing two checks to herself for the payroll period ending September 8, 2011, and was overpaid \$550.57 in 2012 due to issuing two checks to herself for the payroll period ending December 27, 2012. Krista Harris repaid \$1,101.14 to the Town subsequent to our exit conference.

Audra Koontz, former President of the Town Council, was underpaid a total of \$115.50 in 2011 due to underpayment of 11 monthly salary payments.

Joe Hardwick, member of the Town Council, was underpaid a total of \$114.07 in 2011 due to underpayment of 11 monthly salary payments.

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

Vickie Oliver, former member of the Town Council, was overpaid \$231.66 in 2011 due to underpayment of 11 monthly salary payments for a total of \$114.17 and receiving an extra check for December 2011 in the amount of \$345.83. Vickie Oliver repaid \$231.66 to the Town subsequent to our exit conference.

James Oliver, Marshal, was underpaid \$71.55 in 2011 due to underpayment of three different payroll periods.

(See Summary of Charges, page 39)

Time cards were not properly completed. Time cards for full-time employees did not always total 40 hours, hours worked were not noted by day, and department heads did not always approve time cards. Service records were not maintained.

The Policy and Procedure Manual, page 18, states in part: "Full Time Employee: An employee who works an average of 40 hours per week and who maintains regular employment on a yearly basis or the standard full time workweek as designated by the Town Council. Full-time employees are eligible for all Town benefits. . . . Salaried: Employee paid a predetermined amount of compensation weekly based upon a forty hour (40) workweek."

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)

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)

PENALTIES, INTEREST, AND OTHER CHARGES

The Town paid penalties, interest, and other charges to the Indiana Department of Revenue in the amount of \$24 due to 2010 withholding amounts being underpaid. The Town also paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$524 due to the Town underpaying payroll taxes due for the year 2011 and not remitting payments on a timely basis for the third quarter in 2012.

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

As noted in prior Report B39638 and during the current examination period, several errors were noted during a review of payroll withholdings. The Town did not comply with the directives of the Internal Revenue Service by issuing several incorrect Form W-2, Wage and Tax Statements, overpaying payroll taxes and incorrectly reporting on Form 941, Employer's Quarterly Federal Tax Return (941).

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

Several Form W-2s were incorrect for 2011 and 2012. Payroll checks were erroneously issued and not corrected in the payroll accounting system. This resulted in Form W-2s being overstated.

Payments to the Internal Revenue Service for payroll taxes for the first three quarters of 2011 exceeded the amounts reported on the 941s. The overpayments amounted to \$2,543 and were reimbursed by the Internal Revenue Service.

The Internal Revenue Service indicated the fourth quarter 2012 remittances were overpaid by \$682 based on the 941 submitted. The Internal Revenue Service applied the overpayment to the 2010 tax period. A review of the 941 for the fourth quarter 2012 and the payroll records indicated that four employees were erroneously excluded from the 941 report amounts. The remittances were actually correct but the 941 report was not.

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)

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

INTERNAL CONTROLS

As noted in prior Report B39638 and during the current examination period, controls over inventory items on hand were lacking. No records were maintained for items with a value of less than the capitalization policy of \$5,000. Town supervisors should be aware of the location of assets purchased from their funds. Also, disposal of items as a result of them becoming obsolete could be conveyed to the Town Council for better accountability.

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. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

UTILITY RECEIPTS TAX

As noted in prior Report B39638 and during the current examination period, the Town of Gaston did not comply with the directives of the Indiana Department of Revenue by failing to file annual form URT-1 for 2011 and 2012 by the deadline of April 15 of the subsequent year. The Clerk-Treasurer did not pay estimated Utility Receipts Tax for the last two quarters of 2012.

TOWN OF GASTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

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 Indiana Code 6-8.1-15. However, gross receipts received by a political subdivision for sewage and sewage service are not subject to the tax.

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 GASTON
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2013, with Krista Harris, Clerk-Treasurer, and Jay Beeson, President of the Town Council. The Official Response has been made a part of this report and may be found on pages 33 through 38.

TOWN OF GASTON

OFFICE OF CLERK TREASURER
107 N. SYCAMORE P.O. BOX 186
GASTON, INDIANA 47342

November 8, 2013

RE: Comments for 2011 & 2012 Audit Results and Comments

With the loss of information due to major computer issues 2011 & 2012 were very tuff and difficult but with the help of several Clerk Treasure's and bringing in help from O.W.Krohn they have helped me work through the issues.

Annual Report: Contacted the State Board of Accounts about the issues that I was having and stated the report would not have the correct totals. I added all revenue and subtracted all disbursements to the best of my ability and submitted report, as it is better to have an annual report turned in then to not have one submitted.

Delinquent Wastewater & Water Accounts: After reviewing the Aged Trial Balances for 2011 & 2012 individuals had been turned off starting back in the early 2000's up to current year. For the year 2011, 9 individuals were not turned off in the total amount of \$40.01 in the 60 days category and for the year 2012, 5 individuals were not turned off in the total amount of \$14.05 in the 60 days category. As Clerk Treasure I will be working even harder with my Deputy Clerk to insure correct and up to date lien procedures are being done correctly and on a timely manner.

Adjustments for all individuals will be signed by the board presidents and all leak adjustment forms, receipts and the adjustment paperwork will now consist of one master file and a file that contains copies of the master files. Adjustments done to my account have been paid in full in the amount of \$403.08, receipt # 20206 due to my paperwork not being in the file with all the adjustments that were don

Fuel Purchases: I have asked the board for all fuel logs and work schedules for each month from the Police Department so that I may attach them to the APV voucher.

Payroll: All Claims will be available for the Town Board on November 14, 2013 @ 6:30 p.m. at the monthly Regular Board Meeting for the individuals that were under paid in payroll for 2011 & 2012.

Payroll: I myself was overpaid once in 2011 & once in 2012, after going back and reviewing the payroll history I realized that going to my son's boot camp graduation in 2011 and going on vacation in 2012 I wrote my normal pay check and my vacation checks to myself as is allowed, but after coming back into the office after vacation I did payroll as I normally do every week and did not pull my checks out. I have paid back overage for 2011 payroll in the amount of \$550.57, receipt # 20207 and paid back payroll overage for 2012 in the amount of \$550.57, receipt # 20208 in full. Issues that may occur for individuals concerning W-2 for the year 2011 & 2012 will be corrected at year end 2013.

Utility Receipts Tax: Will be on the Claim Docket November 14, 2013 Regular Board Meeting for the Town Board Members to sign and all paperwork will be sent out and corrected.

I would like to thank everyone that has helped, for this was a very hard and sometimes overwhelming, but I have learned so much and have overcome many difficult issues.

Thank you,

Krista L Harris, Clerk Treasure-Town of Gaston

RECEIPT

TOWN OF GASTON
107 N SYCAMORE
GASTON IN 47342
TELEPHONE:765-358-4005
FAX:765-358-4355

Receipt No: 20207

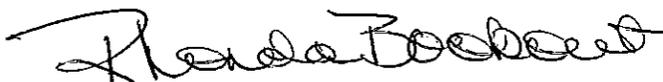
Date: 11/08/2013

Time: 11:53:22

Received From: KRISTA L HARRIS

Fund	Object	Bank	Title	Description	Payment		Amount
					Project	Type	
101	990.000	0	GENER/OTHER	2011 OVERPAY		Cash	330.35
606	536.000	0	SEWAGE/OTHER RECEIPTS	2011 OVERPAY PAYROLL		Cash	110.11
601	474.000	0	WATER/OTHER RECEIPTS	2011 OVERPAY PAYROLL		Cash	110.11

*** Total *** 550.57



KRISTA L HARRIS
CLERK-TREASURER

RECEIPT

TOWN OF GASTON
 107 N SYCAMORE
 GASTON IN 47342
 TELEPHONE:765-358-4005
 FAX:765-358-4355

Receipt No: 20206

Date: 11/08/2013

Time: 11:38:38

Received From: KRISTA L HARRIS

Fund	Object	Bank	Title	Description	Project	Payment Type	Amount
601	441.000	0	WATER/ RESIDENTIAL	ADJ REPAY MONIES		Cash	201.54
606	441.000	0	SEWAG/RESIDENTIAL	ADJ REPAY MONIES		Cash	201.54

*** Total *** 403.08



KRISTA L HARRIS
 CLERK-TREASURER

RECEIPT
TOWN OF GASTON
107 N SYCAMORE
GASTON IN 47342
TELEPHONE:765-358-4005
FAX:765-358-4355

Receipt No: 20208

Date: 11/08/2013

Time: 12:00:01

Received From: KRISTA L HARRIS

Fund	Object	Bank	Title	Description	Project	Payment Type	Amount
101	990.000	0	GENER/OTHER	2012 OVERPAY REPAYMENT		Cash	330.35
606	536.000	0	SEWAGE/OTHER RECEIPTS	2012 OVERPAY REPAYMENT		Cash	110.11
601	474.000	0	WATER/OTHER RECEIPTS	2012 OVERPAY REPAYMENT		Cash	110.11

Rhonda Bookout

*** Total *** 550.57



STAR

Bank • Insurance • Private Advisory

*K. Harris 2011 payroll
overage*

RECEIPT	Drawer: 270	11/08/13
	Trans#: 48	14:53:17
*****00041		
DDA Deposit		\$550.57

Transaction
Receipt

All items are credited subject to final proofing and payment



STAR

Bank • Insurance • Private Advisory

*K. Harris 2012 payroll
overage*

RECEIPT	Drawer: 270	11/08/13
	Trans#: 47	14:52:02
*****00041		
DDA Deposit		\$550.57

Transaction
Receipt

All items are credited subject to final proofing and payment



STAR

Bank • Insurance • Private Advisory

*K. Harris repay 2011
adjustments*

RECEIPT	Drawer: 270	11/08/13
	Trans#: 49	14:54:33
*****00041		
DDA Deposit		\$403.08

Transaction
Receipt

All items are credited subject to final proofing and payment

TOWN OF GASTON
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Ordinances and Resolutions -			
Payroll, pages 28 and 29:			
Salary Overpayments:			
Krista Harris, Clerk-Treasurer	\$ 1,101.14	\$ 1,101.14	\$ -
Vickie Oliver, former Council member	231.66	231.66	-
Delinquent Water Accounts, page 27:			
Adjustments to Utility Account -			
Krista Harris, Clerk-Treasurer	<u>403.08</u>	<u>403.08</u>	<u>-</u>
Totals	<u>\$ 1,735.88</u>	<u>\$ 1,735.88</u>	<u>\$ -</u>

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