

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF SEELYVILLE
VIGO COUNTY, INDIANA

January 1, 2012 to December 31, 2013



FILED
02/06/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	9
Notes to Financial Statement	10-13
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	16-19
Schedule of Payables and Receivables	20
Schedule of Leases and Debt	21
Schedule of Capital Assets.....	23
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	26-27
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	31
Notes to Schedule of Expenditures of Federal Awards	32
Schedule of Findings and Questioned Costs	33-37
Auditee Prepared Document:	
Corrective Action Plan	40
Other Report	41

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie Hinsenkamp (Vacant) Tracy Kiefling	01-01-12 to 10-14-14 10-15-14 to 11-10-14 11-11-14 to 12-31-15
President of the Town Council	Jerry Jones	01-01-12 to 12-31-14
Utility Office Manager	Tamara J. Caton	01-01-12 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF SEELYVILLE, VIGO COUNTY, INDIANA

Report on the Financial Statement

We were engaged to audit the accompanying financial statement of the Town of Seelyville (Town), which comprises the financial position and results of operations for the period of January 1, 2012 to December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Town did not properly maintain accounting records. The financial statement submitted by the Town for audit was not supported by the Town's records, but instead agreed with bank statement balances. The General Ledger Report presented for audit by the Town did not match Fund Reports printed from the same system. The Town's records do not permit the application of other auditing procedures to ascertain if the financial statement is fairly stated.

Disclaimer of Opinion

Because of the significance of the matter discussed in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on this financial statement.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards


In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2014, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* paragraph and because federal grant monies were not accurately and separately identified in the financial ledgers, it is inappropriate to and we do not express an opinion on the Schedule of Expenditures of Federal Awards referred to above.

Our audit 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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to any auditing procedures and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

December 23, 2014



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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE TOWN OF SEELYVILLE, VIGO COUNTY, INDIANA

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Town of Seelyville (Town), which comprises the financial position and results of operations for the period of January 1, 2012 to December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated December 23, 2014. Our report disclaims an opinion on such financial statement because of the Town's failure to properly maintain accounting records.

Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


In connection with our engagement to audit the financial statement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002. Additionally, if the scope of our work had been sufficient to enable us to express an opinion on the financial statement, other instances of noncompliance or other matters may have been identified and reported herein.

Town of Seelyville's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the engagement to audit the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 23, 2014

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

(This page intentionally left blank.)

TOWN OF SEELYVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 157,182	\$ 147,757	\$ 142,415	\$ 162,524	\$ 89,912	\$ 81,485	\$ 170,951
Motor Vehicle Highway	200,772	36,607	29,865	207,514	42,413	58,834	191,093
Local Road And Street	55,455	6,384	-	61,839	9,167	-	71,006
Riverboat	59,404	6,096	-	65,500	6,096	59,769	11,827
Rainy Day	30,549	-	-	30,549	-	-	30,549
Cumulative Capital Improvement	56,691	3,612	-	60,303	-	-	60,303
Park Donation	2,500	-	-	2,500	-	-	2,500
Economic Development Income Tax	59,377	9,066	-	68,443	4,829	-	73,272
Local Law Enforcement Continuing Ed	824	56	-	880	32	-	912
Payroll	42	381,182	386,664	(5,440)	369,305	362,075	1,790
2012 WW Bond Reserve	-	-	-	-	129,755	54,904	74,851
Wastewater Utility-Operating	206,163	262,062	323,687	144,538	313,363	323,632	134,269
Wastewater Util-Bond And Interest	41,764	1	-	41,765	50,700	-	92,465
Water Construction Fund	-	-	-	-	4,403,349	4,403,499	(150)
Water Utility-Operating	1,672,992	1,701,672	1,404,883	1,969,781	1,589,773	2,396,231	1,163,323
Water Utility-Bond And Interest	248,303	416,239	392,045	272,497	267,085	-	539,582
Water Utility- Depreciation/ Improve	394,175	31,759	31,412	394,522	254	-	394,776
Water Utility-Customer Deposit	21,430	6,050	5,492	21,988	5,150	3,304	23,834
Totals	<u>\$ 3,207,623</u>	<u>\$ 3,008,543</u>	<u>\$ 2,716,463</u>	<u>\$ 3,499,703</u>	<u>\$ 7,281,183</u>	<u>\$ 7,743,733</u>	<u>\$ 3,037,153</u>

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

TOWN OF SEELYVILLE
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 may 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 SEELYVILLE
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.

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

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 may 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, over-time compensation, and other such benefits are appropriated separately, such payments would also be included.

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

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

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

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

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

TOWN OF SEELYVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 SEELYVILLE
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. *Cash Balance Deficits*

The financial statement contains some funds with deficits in cash. This is a result of posting errors.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION - UNAUDITED

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

Differences may be noted between the financial information presented in the financial 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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Cumulative Capital Improvement	Park Donation	Economic Development Income Tax	Local Law Enforcement Continuing Ed	Payroll
Cash and investments - beginning	\$ 157,182	\$ 200,772	\$ 55,455	\$ 59,404	\$ 30,549	\$ 56,691	\$ 2,500	\$ 59,377	\$ 824	\$ 42
Receipts:										
Taxes	65,262	-	-	-	-	-	-	-	-	-
Intergovernmental	24,104	36,607	6,384	6,096	-	3,612	-	9,066	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Other receipts	58,391	-	-	-	-	-	-	-	56	381,182
Total receipts	147,757	36,607	6,384	6,096	-	3,612	-	9,066	56	381,182
Disbursements:										
Personal services	13,174	20,026	-	-	-	-	-	-	-	386,664
Supplies	3,940	5,835	-	-	-	-	-	-	-	-
Other services and charges	125,301	4,004	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-
Total disbursements	142,415	29,865	-	-	-	-	-	-	-	386,664
Excess (deficiency) of receipts over disbursements	5,342	6,742	6,384	6,096	-	3,612	-	9,066	56	(5,482)
Cash and investments - ending	\$ 162,524	\$ 207,514	\$ 61,839	\$ 65,500	\$ 30,549	\$ 60,303	\$ 2,500	\$ 68,443	\$ 880	\$ (5,440)

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

	2012 WW Bond Reserve	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Water Construction Fund	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility- Depreciation/ Improve	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ -	\$ 206,163	\$ 41,764	\$ -	\$ 1,672,992	\$ 248,303	\$ 394,175	\$ 21,430	\$ 3,207,623
Receipts:									
Taxes	-	-	-	-	-	-	-	-	65,262
Intergovernmental	-	-	-	-	-	-	-	-	85,869
Utility fees	-	262,062	-	-	1,695,323	-	-	-	1,957,385
Other receipts	-	-	1	-	6,349	416,239	31,759	6,050	900,027
Total receipts	-	262,062	1	-	1,701,672	416,239	31,759	6,050	3,008,543
Disbursements:									
Personal services	-	49,463	-	-	267,837	-	-	-	737,164
Supplies	-	-	-	-	-	-	-	-	9,775
Other services and charges	-	524	-	-	27,723	-	-	-	157,552
Debt service - principal and interest	-	-	-	-	420,299	392,045	-	-	812,344
Capital outlay	-	-	-	-	92,089	-	-	-	92,089
Utility operating expenses	-	273,700	-	-	596,935	-	-	-	870,635
Other disbursements	-	-	-	-	-	-	31,412	5,492	36,904
Total disbursements	-	323,687	-	-	1,404,883	392,045	31,412	5,492	2,716,463
Excess (deficiency) of receipts over disbursements	-	(61,625)	1	-	296,789	24,194	347	558	292,080
Cash and investments - ending	\$ -	\$ 144,538	\$ 41,765	\$ -	\$ 1,969,781	\$ 272,497	\$ 394,522	\$ 21,988	\$ 3,499,703

TOWN OF SEELYVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Cumulative Capital Improvement	Park Donation	Economic Development Income Tax	Local Law Enforcement Continuing Ed	Payroll
Cash and investments - beginning	\$ 162,524	\$ 207,514	\$ 61,839	\$ 65,500	\$ 30,549	\$ 60,303	\$ 2,500	\$ 68,443	\$ 880	\$ (5,440)
Receipts:										
Licenses and permits	1,724	-	-	-	-	-	-	-	-	-
Intergovernmental	80,600	42,413	9,167	6,096	-	-	-	4,829	-	-
Charges for services	3,342	-	-	-	-	-	-	-	32	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Other receipts	4,246	-	-	-	-	-	-	-	-	369,305
Total receipts	89,912	42,413	9,167	6,096	-	-	-	4,829	32	369,305
Disbursements:										
Personal services	14,745	22,715	-	-	-	-	-	-	-	-
Supplies	5,077	2,302	-	-	-	-	-	-	-	-
Other services and charges	46,995	33,817	-	59,769	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	14,668	-	-	-	-	-	-	-	-	362,075
Total disbursements	81,485	58,834	-	59,769	-	-	-	-	-	362,075
Excess (deficiency) of receipts over disbursements	8,427	(16,421)	9,167	(53,673)	-	-	-	4,829	32	7,230
Cash and investments - ending	\$ 170,951	\$ 191,093	\$ 71,006	\$ 11,827	\$ 30,549	\$ 60,303	\$ 2,500	\$ 73,272	\$ 912	\$ 1,790

TOWN OF SEELYVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	2012 WW Bond Reserve	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Water Construction Fund	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility- Depreciation/ Improve	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ -	\$ 144,538	\$ 41,765	\$ -	\$ 1,969,781	\$ 272,497	\$ 394,522	\$ 21,988	\$ 3,499,703
Receipts:									
Licenses and permits	-	-	-	-	-	-	-	-	1,724
Intergovernmental	-	-	-	-	-	-	-	-	143,105
Charges for services	-	-	-	-	-	-	-	-	3,374
Utility fees	-	312,061	-	-	1,421,506	-	-	5,150	1,738,717
Other receipts	129,755	1,302	50,700	4,403,349	168,267	267,085	254	-	5,394,263
Total receipts	129,755	313,363	50,700	4,403,349	1,589,773	267,085	254	5,150	7,281,183
Disbursements:									
Personal services	-	52,983	-	-	270,225	-	-	-	360,668
Supplies	-	-	-	-	-	-	-	-	7,379
Other services and charges	-	1,157	-	-	26,702	-	-	-	168,440
Debt service - principal and interest	-	-	-	-	527,621	-	-	-	527,621
Capital outlay	-	-	-	-	313,793	-	-	-	313,793
Utility operating expenses	-	202,878	-	4,266,339	652,506	-	-	-	5,121,723
Other disbursements	54,904	66,614	-	137,160	605,384	-	-	3,304	1,244,109
Total disbursements	54,904	323,632	-	4,403,499	2,396,231	-	-	3,304	7,743,733
Excess (deficiency) of receipts over disbursements	74,851	(10,269)	50,700	(150)	(806,458)	267,085	254	1,846	(462,550)
Cash and investments - ending	\$ 74,851	\$ 134,269	\$ 92,465	\$ (150)	\$ 1,163,323	\$ 539,582	\$ 394,776	\$ 23,834	\$ 3,037,153

TOWN OF SEELYVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ -	\$ 45,280
Water	-	138,406
Governmental activities	-	-
Totals	\$ -	\$ 183,686

TOWN OF SEELYVILLE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2004	\$ 515,000	\$ 59,370
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2005	2,595,000	390,828
Revenue bonds	Waterworks Refunding Revenue Bonds of 2012	<u>2,317,000</u>	<u>98,484</u>
Total Water		<u>4,912,000</u>	<u>489,312</u>
Totals		<u>\$ 5,427,000</u>	<u>\$ 548,682</u>

(This page intentionally left blank.)

TOWN OF SEELYVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 224,000
Buildings	238,000
Improvements other than buildings	771,252
Machinery, equipment, and vehicles	129,870
Total governmental activities	1,363,122
Wastewater:	
Land	40,800
Improvements other than buildings	1,366,973
Machinery, equipment, and vehicles	59,673
Total Wastewater	1,467,446
Water:	
Land	60,100
Buildings	5,523,007
Improvements other than buildings	567,829
Machinery, equipment, and vehicles	1,033,195
Total Water	7,184,131
Total capital assets	\$ 10,014,699

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TOWN OF SEELYVILLE, VIGO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Town of Seelyville's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of January 1, 2012 to December 31, 2013. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of January 1, 2012 to December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance


Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003 to be material weaknesses.

The Town's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 23, 2014

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the Town. The schedule and notes are presented as intended by the Town.

(This page intentionally left blank.)

TOWN OF SEELYVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended December 31, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-12	Total Federal Awards Expended 12-31-13
<u>Department of Agriculture</u>					
Water and Waste Program Cluster					
Water and Waste Disposal Systems for Rural Communities	Direct Grant	10.760	Water Works, Series 2012	\$ 1,617,700	\$ -
				<u>-</u>	<u>733,300</u>
Total - Water and Waste Program Cluster				<u>1,617,700</u>	<u>733,300</u>
<u>Department of the Interior</u>					
Abandoned Mine Land Reclamation (AMLR) Program					
NEVINS WATER PROJECT	Nevins Township, Vigo County, Indiana	15.252	EDS# E23-10-008151	1,171,145	-
				<u>-</u>	<u>3,570,791</u>
Total - Abandoned Mine Land Reclamation (AMLR) Program				<u>1,171,145</u>	<u>3,570,791</u>
Total federal awards expended				<u>\$ 2,788,845</u>	<u>\$ 4,304,091</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF SEELYVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Loans Outstanding

The Town had the following loan balances, with continuing federal compliance requirements, outstanding at December 31, 2012 and 2013. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
Water and Waste Disposal Systems for Rural Communities	10.760	<u>\$ 1,617,700</u>	<u>\$ 733,300</u>

TOWN OF SEELYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Disclaimer
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
15.252	Water and Waste Program Cluster Abandoned Mine Land Reclamation (AMLR) Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE 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 the achievement of financial reporting objectives. The Town has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The Clerk-Treasurer posts the ledger and makes deposits. The Office Manager calculates and prepares bills and posts payments to utility customer accounts. The Office Manager and the Billing Clerk can do adjustments and adjustments are not reviewed and approved by the governing body.

TOWN OF SEELYVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

accounts were not reconciled during the audit period. Numerous posting errors were made and were not detected because of the failure to reconcile. Posting errors included: items posted twice, checks and electronic funds transfers not posted, checks posted in the wrong amounts, incorrect check numbers, and checks marked void that cleared the bank. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

2. Preparing Financial Statement: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Town's audited financial statement and then determining how those identified risks should be managed. The Clerk-Treasurer hired a third party to prepare and submit the Annual Financial Report. The report was not reviewed prior to submission. The information presented in the report is not supported by the Town's records. The ending fund balances for 2013 equal the bank statement balances at year end. The information in the Annual Financial Report is used to compile the financial statement. The General Ledger Report submitted by the Town for audit does not agree to the Fund Report printed from the same system and neither report agrees to the Annual Financial Report. The Town has not identified risks to the preparation of reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.

3. Monitoring of Controls: Effective internal control over financial reporting requires the Town Council to monitor and assess the quality of the Town's system of internal control. The Town Council 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.

Although we were unable to audit the financial statement, we noted that the Water Construction Fund for 2012 and the Water Debt Reserve Fund were omitted from the financial statement. The results of these omissions are shown below:

Fund	Beginning Balance	Receipts	Disbursements	Ending Balance
2012:				
Water Construction Fund	\$ -	\$ 2,788,845	\$ 2,962,792	\$ (173,947)
Water Debt Reserve Fund	414,823	-	-	414,823
2013:				
Water Debt Reserve Fund	414,823	-	-	414,823

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.

TOWN OF SEELYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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)

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."

***FINDING 2013-002 - INTERNAL CONTROLS AND COMPLIANCE OVER
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The SEFA was prepared by the Clerk-Treasurer without proper oversight, review, or approval. The Town should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

Although we were unable to audit the SEFA, we noted the following errors: the Water and Waste Disposal Systems for Rural Communities was omitted from the schedule. Expenditures reported for Abandoned Mine Land Reclamation (AMLR) Program were understated. There were several omissions of identifying information such as the federal agency, identifying number, and CFDA number. The pass-through entity and program name were incorrectly identified. Audit adjustments were proposed, accepted by the Town, and made to the SEFA presented in this report.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

TOWN OF SEELYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM AND WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES

Federal Agency: Department of the Interior

Federal Program: Abandoned Mine Land Reclamation (AMLR) Program

CFDA Number: 15.252

Federal Award Number and Year (or Other Identifying Number): EDS# E23-10-008151

Pass-Through Entity: Nevins Township, Vigo County, Indiana

Federal Agency: Department of Agriculture

Federal Program: Water and Waste Disposal Systems for Rural Communities

CFDA Number: 10.760

Federal Award Number and Year (or Other Identifying Number): Water Works, Series 2012

Pass-Through Entity: Direct Grant

Management of the Town has not established an effective internal control system, which would include segregation of duties, related to the grant agreements and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed; Allowable Costs; Cash Management; Period of Availability; and Procurement and Suspension and Debarment for both programs and Reporting for Abandoned Mine Land Reclamation (AMLR) Program. The failure to establish an effective internal control system places the Town at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control

TOWN OF SEELYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The Town did not have grant files which contained grant agreements, correspondence with grantors regarding compliance requirements, contracts, or other grant documentation. Originally, the Clerk-Treasurer stated that there were no grant files, but eventually, a file was produced which included some "estimate of funds needed" forms, minutes of construction conferences, and bond documentation. The file was not complete. Documentation used to gain an understanding of the program was obtained from grantor agencies. The Town Council did not approve reports or funds requests. The ledger contained numerous posting errors which were not detected and corrected.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the Town.

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

(This page intentionally left blank.)

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the Town. The document is presented as intended by the Town.



Town of Seelyville

A Centennial Community



Corrective Action Plan

Tracy Kiefling Clerk-Treasurer

812-877-2665

Finding 2013-001

The plan of action for this problem is for the Clerk-Treasurer and Office Manager to work together by cross checking all accounts before being posted. The annual financial reports will be reviewed by both Office Manager and Clerk-Treasurer before submission. This action should alleviate posting errors.

Finding 2013-002

The plan of action for this problem is that the Town Manager and Clerk-Treasurer will work together with any and all scheduling of expenditures when dealing with Federal Grants to ensure accurate reporting.

Finding 2013-003

The plan of action for this problem is that the Town Manager and Clerk-Treasurer will work together with any and all grant funding files. Town Manager and Clerk-Treasurer will share all records that pertain to grant agreements, correspondence, contracts or any other grant documentation.

The anticipated action is to be started no later than 1-1-15. There are no current Federal Grant projects at this time.



Jerry L. Jones Council President



Tracy L. Kiefling Clerk-Treasurer

12/4/14

Date

12-3-14

Date

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the Town. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.