



**STATE OF INDIANA**  
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B45227

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July 13, 2015

TO: THE OFFICIALS OF THE TOWN OF DUPONT, JEFFERSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Dupont (Town), for the period of January 1, 2010 to December 31, 2014, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Town's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Town.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, the Annual Financial Reports filed by the Town can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Unresolved Comment From Prior Report***

- *The prior examination reported numerous instances where receipts were deposited later than the next business day. During the review period, receipts were deposited later than the next business day following the receipt of funds. Receipts were held for 37 to 359 days prior to receipting and recording. Examples are as follows:*

<u>Received From</u>	<u>Date Received</u>	<u>Date Deposited</u>	<u>Distribution Amount</u>	<u>Deposited Timely</u>	<u>Posted Properly</u>	<u>Days Held</u>
County Auditor	09-12-10	01-24-11	\$ 1,851.33	No	No	134
County Auditor	10-14-10	01-24-11	1,851.33	No	No	102
County Auditor	11-14-10	01-24-11	1,851.33	No	No	71
County Auditor	12-11-10	01-24-11	1,851.33	No	No	44
County Auditor	09-12-11	01-31-12	1,384.67	No	No	141
County Auditor	10-10-11	01-31-12	1,384.67	No	No	113
County Auditor	12-14-11	01-31-12	1,384.67	No	No	48
County Auditor	12-25-11	01-31-12	3,239.69	No	No	37
County Auditor	12-25-11	04-10-12	6,204.24	No	No	107
County Auditor	12-11-13	04-16-14	1,431.49	No	No	126
County Auditor	12-23-13	12-17-14	6,099.66	No	No	359
County Auditor	05-09-14	12-17-14	1,567.61	No	No	222
County Auditor	06-09-14	12-17-14	1,567.61	No	No	191
County Auditor	07-08-14	12-17-14	1,567.61	No	No	162
County Auditor	08-11-14	12-17-14	1,567.61	No	No	128
County Auditor	08-20-14	12-17-14	2,008.21	No	No	119
County Auditor	09-14-14	12-17-14	1,567.61	No	No	94

### Current Period Comments

- Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations were not accurate. Numerous receipts, disbursements, and interest income was not properly recorded in the ledger and not included in the Town's reconciliations.
- The Annual Financial Report filed on Gateway for 2011, 2012, 2013, and 2014 contained a number of errors and did not properly reflect the financial activity of the Town.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2011	General Fund	Beg. Balance	\$ 34,929.34	\$ 17,464.67	\$ 17,464.67
2011	Motor Vehicle Highway	Beg. Balance	86,513.54	43,256.77	43,256.77
2011	Local Road and Street	Beg. Balance	49,231.08	24,617.04	24,614.04
2011	Cedit	Beg. Balance	147,220.42	73,610.21	73,610.21
2011	Wastewater Utility	Beg. Balance	-	110,636.84	(110,636.84)
2011	Wastewater Utility	Receipts	-	83,077.83	(83,077.83)
2011	Wastewater Utility	Disbursements	-	97,644.44	(97,644.44)
2011	General Fund	End. Balance	31,518.19	14,053.52	17,464.67
2011	Motor Vehicle Highway	End. Balance	79,379.08	36,122.31	43,256.77
2011	Local Road and Street	End. Balance	51,590.13	26,973.09	24,617.04
2011	Cedit	End. Balance	165,703.06	92,092.85	73,610.21
2011	Wastewater Utility	End. Balance	-	96,070.23	(96,070.23)
2012	General Fund	Beg. Balance	31,518.19	14,053.52	17,464.67
2012	Motor Vehicle Highway	Beg. Balance	79,379.08	36,122.31	43,256.77
2012	Local Road and Street	Beg. Balance	51,590.13	26,973.09	24,617.04
2012	Cedit	Beg. Balance	165,703.06	92,092.85	73,610.21
2012	Wastewater Utility	Beg. Balance	-	96,070.23	(96,070.23)
2012	General Fund	Receipts	8,012.93	29,522.79	(21,509.86)
2012	Motor Vehicle Highway	Receipts	12,122.64	10,154.36	1,968.28
2012	Cedit	Receipts	18,110.57	17,189.75	920.82

Years	Fund	Category	Amount Per Gateway	Amount Per Ledger	Difference
2012	Wastewater Utility	Receipts	-	57,902.98	(57,902.98)
2012	General Fund	Disbursements	10,752.63	37,681.35	(26,928.72)
2012	Motor Vehicle Highway	Disbursements	6,110.12	4,450.48	1,659.64
2012	Wastewater Utility	Disbursements	-	43,235.40	(43,235.40)
2012	General Fund	End. Balance	28,778.49	5,894.96	22,883.53
2012	Motor Vehicle Highway	End. Balance	85,391.60	41,826.19	43,565.41
2012	Local Road and Street	End. Balance	51,014.98	26,370.55	24,644.43
2012	Cedit	End. Balance	183,813.63	109,282.60	74,531.03
2012	Wastewater Utility	End. Balance	-	110,737.81	(110,737.81)
2013	General Fund	Beg. Balance	28,778.49	5,894.96	22,883.53
2013	Motor Vehicle Highway	Beg. Balance	85,391.60	41,826.19	43,565.41
2013	Local Road and Street	Beg. Balance	51,014.98	26,370.55	24,644.43
2013	Cedit	Beg. Balance	92,092.85	109,282.60	(17,189.75)
2013	Wastewater Utility	Beg. Balance	-	110,737.81	(110,737.81)
2013	General Fund	Receipts	20,008.47	20,584.78	(576.31)
2013	Cedit	Receipts	20,662.95	21,583.77	(920.82)
2013	Wastewater Utility	Receipts	-	48,138.88	(48,138.88)
2013	General Fund	Disbursements	24,590.95	19,748.40	4,842.55
2013	Wastewater Utility	Disbursements	-	45,393.81	(45,393.81)
2013	General Fund	End. Balance	24,196.01	6,731.34	17,464.67
2013	Motor Vehicle Highway	End. Balance	69,604.51	26,347.74	43,256.77
2013	Local Road and Street	End. Balance	53,276.80	28,659.76	24,617.04
2013	Cedit	End. Balance	112,755.80	130,866.37	(18,110.57)
2013	Wastewater Utility	End. Balance	-	113,482.88	(113,482.88)
2014	General Fund	Beg. Balance	24,196.01	6,731.34	17,464.67
2014	Motor Vehicle Highway	Beg. Balance	69,604.51	26,347.74	43,256.77
2014	Local Road and Street	Beg. Balance	53,276.80	28,659.76	24,617.04
2014	Cedit	Beg. Balance	204,476.58	130,866.37	73,610.21
2014	Wastewater Utility	Beg. Balance	-	113,482.88	(113,482.88)
2014	General Fund	Receipts	36,461.27	18,940.34	17,520.93
2014	Cedit	Receipts	18,402.92	10,564.87	7,838.05
2014	Wastewater Utility	Receipts	-	45,925.65	(45,925.65)
2014	General Fund	Disbursements	23,386.51	20,372.36	3,014.15
2014	Wastewater Utility	Disbursements	-	47,343.66	(47,343.66)
2014	General Fund	End. Balance	37,270.77	5,299.32	31,971.45
2014	Motor Vehicle Highway	End. Balance	76,028.96	32,815.63	43,213.33
2014	Local Road and Street	End. Balance	55,610.21	30,993.17	24,617.04
2014	Cedit	End. Balance	207,879.50	126,431.24	81,448.26
2014	Wastewater Utility	End. Balance	-	112,064.87	(112,064.87)

- The Town used a computerized spreadsheet to record the financial activity of the Town's Wastewater Utility for the years 2011, 2012, 2013, and 2014 in lieu of prescribed form "Simplified Cash Journal - Sewage Utility (Form323)." Spreadsheets should not be utilized to generate control documents such as ledgers, receipt registers, check registers, outstanding checklists, and similar reports.
- The records presented for review indicated the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Motor Vehicle Highway	\$ 12,471.80
2012	General Fund	22,799.35
2012	Local Road and Street	1,929.25
2013	General Fund	3,290.40
2013	Motor Vehicle Highway	20,106.74
2014	General Fund	5,272.36
2014	Motor Vehicle Highway	432.75

- *Receipts were not properly posted to the Ledger. Distributions received from the County Auditor were held for long periods of time and, in numerous instances, not recorded in the year received; therefore, yearly financial information would not be accurate. Also distribution checks totaling \$15,945.92 were deposited in the Town's depository but not recorded in the Ledger as of December 31, 2014.*
- *The Clerk-Treasurer was not properly bonded for 2010, 2011, 2012, 2013, and 2014. The Clerk-Treasurer's Surety Bond was insufficient per the Indiana Code.*
- *The Annual Report was not published in accordance with Indiana Code 5-3-1-3 for the entire review period.*
- *The Clerk-Treasurer and Town Council members did not certify in writing that these officers had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, December 31, 2013, and December 31, 2014.*
- *The Clerk-Treasurer and Town Council members did not certify in writing that these officers had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, December 31, 2013, and December 31, 2014.*
- *The Annual Reports for 2010, 2011, 2012, and 2013 were not filed in a timely manner. The reports were filed on May 3, 2011, April 17, 2012, April 26, 2013, and April 13, 2014, which is 63 days, 47 days, 56 days, and 43 days, respectively, past the due date.*
- *The Town officials did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011, 2012, and 2013. The reports were filed on February 7, 2012, March 24, 2013, and February 2, 2014, which is 7 days, 52 days, and 2 days, respectively, past the due date.*

This letter is intended for the information and use of the governing body and management of the Town. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on May 28, 2015, with Robyn J. Meek, Clerk-Treasurer.

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