



**STATE OF INDIANA**  
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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](http://www.in.gov/sboa)

November 13, 2015

TO: THE OFFICIALS OF THE TOWN OF HOLTON, RIPLEY 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 Holton (Town) for the period of January 1, 2010 to December 31, 2012, 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 Comments From Prior Report***

- *As stated in the prior Report B37459, disbursements were in excess of budgeted appropriations. Records presented for examination for the years 2010, 2011, and 2012 showed the following disbursements in excess of budgeted appropriations:*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	General	\$ 24,405
2010	Motor Vehicle Highway	5,188
2011	General	823
2011	Riverboat	4,654
2012	General	5,378
2012	Motor Vehicle Highway	9,357
2012	Riverboat	17,578

#### **Current Period Comments**

- *The Annual Financial Report filed on Gateway for 2011 contained the following errors:*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2011	Sewage Utility Operating	Receipts	\$ 142,604	\$ 140,839	\$ (1,765)
2011	Sewage Utility Operating	Disbursements	146,821	145,056	(1,765)

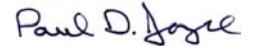
- *Investment amounts were reported on the Annual Financial Report; however, they were not recorded on the ledger as of December 31, of the following years:*

<u>Years</u>	<u>Fund</u>	<u>Amount</u>
2010	General	\$ 25,000
2010	Sewage Depreciation	50,000
2010	Sewage Debt Reserve	24,612
2011	General	25,000
2011	Sewage Debt Reserve	24,612
2012	General	25,000
2012	Sewage Debt Reserve	24,612

- *The Payroll Fund had an overdrawn Cash and Investment balance of \$4,762 at December 31, 2010.*
- *Payments made for fire protection in 2010, 2011, and 2012 were not supported by a written contract.*
- *The Clerk-Treasurer and Town Council members did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012.*
- *The Town did not have a Contracting Policy for 2012.*
- *The Clerk-Treasurer and Town Council members did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting with a Unit) by December 31, 2012.*

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 September 21, 2015, with Gretchen Moore, former Clerk-Treasurer, and Paul Hughes, President of the Town Council. The contents of this letter were, also, discussed on September 23, 2015, with Angela Farrell, Clerk-Treasurer



Paul D. Joyce, CPA  
State Examiner