

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF DUPONT

JEFFERSON COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
04/10/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robyn J. Meek	01-01-19 to 12-31-24
President of the Town Council	Charles D. Vance Jr. Kevin Burnette	01-01-19 to 12-31-20 01-01-21 to 12-31-24
Superintendent of the Wastewater Utility	Scott Williams	01-01-19 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Town as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of non-compliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Town's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Robyn J. Meek, Clerk-Treasurer; Lonnie Dicken, Town Council member; and Debbie Ford, Town Council member, on March 25, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 11, 2024

TOWN OF DUPONT
COMMENTS

RECEIPT ISSUANCE

Condition and Context

Due to an internal control deficiency, the Town did not issue any receipts during the engagement period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

ANNUAL FINANCIAL REPORT

Condition and Context

Due to an internal control deficiency, the following items were omitted from the Town's Annual Financial Report filed in the Indiana Gateway for Government Units financial reporting system. The Community Crossings Grant fund was omitted for the year ending December 31, 2019. This fund had receipt activity totaling \$127,242 and disbursement activity totaling \$127,241 that was added to the financial statements included in this report.

The Town reported nothing for Accounts Receivable for all five years in the engagement period. The Accounts Receivable balances as of December 31, 2019, 2020, 2021, 2022, and 2023, were \$12,607, \$7,523, \$10,212, \$15,781, and \$13,828, respectively. These accounts receivable balances are due to utilities services provided customers that remain unpaid at year end.

TOWN OF DUPONT
COMMENTS
(Continued)

Criteria

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

"The state examiner shall require from every audited entity 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](#)."

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CAPITAL ASSETS

Condition and Context

Due to an internal control deficiency, the Town does not have a capital assets policy in place including a threshold at which an item is considered a capital asset. It also does not keep a detailed listing of all capital assets owned which reflects its acquisition value nor complete a physical inventory of all capital assets at least every two years.

The Town reported assets totaling \$933,317 in the Indiana Gateway for Government Units financial reporting system for the year ending December 31, 2023.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

TOWN OF DUPONT
COMMENTS
(Continued)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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APPROPRIATIONS

Condition and Context

Due to an internal control deficiency, the Town exceeded budgeted appropriations in the years and funds by the amounts shown in the table below.

Fund	2019	2020	2021	2022	2023
General	\$ 185,459	\$ 79,212	\$ 21,081	\$ 28,093	\$ 23,521
Local Road and Street	-	350	-	-	1,025
Motor Vehicle Highway	15,347	-	1,190	562	1,774

Criteria

Indiana Code 36-5-4-2 states in part: "Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body . . ."

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

TOWN OF DUPONT
COMMENTS
(Continued)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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TOWN OF DUPONT
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Motor Vehicle Highway	\$ 73,075	\$ 8,051	\$ 52,147	\$ 28,979	\$ 7,259	\$ 5,765	\$ 30,473
Motor Vehicle Highway - Restricted	-	7,295	-	7,295	6,434	-	13,730
Local Road And Street	42,852	4,157	12,213	34,796	4,006	5,350	33,452
Cumulative Capl Imprv - Ccif	14,838	775	-	15,613	735	-	16,348
Cedit	173,952	24,573	42,030	156,495	28,661	110,000	75,156
LIT - Public Safety	-	-	-	-	1,221	-	1,221
General Fund	25,835	185,472	211,374	(67)	120,127	105,899	14,161
Debt Service Fund	39,006	-	-	39,006	-	-	39,006
Cash Operating Fund	27,545	44,385	65,178	6,752	41,868	40,649	7,971
Improvement Fund	40,623	-	-	40,623	-	-	40,623
Community Crossing Matching Grant	-	127,242	127,241	1	-	-	1
Totals	<u>\$ 437,726</u>	<u>\$ 401,951</u>	<u>\$ 510,183</u>	<u>\$ 329,493</u>	<u>\$ 210,311</u>	<u>\$ 267,663</u>	<u>\$ 272,142</u>

TOWN OF DUPONT
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Motor Vehicle Highway	\$ 30,472	\$ 8,005	\$ 7,990	\$ 30,487	\$ 8,082	\$ 7,562	\$ 31,007
Motor Vehicle Highway - Restricted	13,730	7,111	-	20,841	7,222	-	28,063
Local Road And Street	33,452	4,354	-	37,806	4,497	4,500	37,803
Cumulative Capl Imprv - Ccif	16,347	697	-	17,044	623	-	17,667
Cedit	75,156	28,963	25,000	79,119	33,045	25,000	87,164
LIT - Public Safety	1,221	1,822	-	3,043	1,939	-	4,982
General Fund	14,159	48,729	45,941	16,947	46,712	55,377	8,282
Debt Service Fund	39,006	5,459	-	44,465	106	-	44,571
Cash Operating Fund	7,971	42,896	44,464	6,403	141,416	128,821	18,998
Improvement Fund	40,623	5,459	-	46,082	106	5,623	40,565
Totals	<u>\$ 272,137</u>	<u>\$ 153,495</u>	<u>\$ 123,395</u>	<u>\$ 302,237</u>	<u>\$ 243,748</u>	<u>\$ 226,883</u>	<u>\$ 319,102</u>

TOWN OF DUPONT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Motor Vehicle Highway	\$ 31,007	\$ 8,219	\$ 8,774	\$ 30,452
Local Road And Street	37,804	4,622	6,250	36,176
Motor Vehicle Highway - Restricted	28,063	7,386	-	35,449
Playground Donations	-	563,352	380,900	182,452
Cumulative Capl Imprv - Coif	17,666	623	-	18,289
Cedit	87,164	30,089	50,000	67,253
LIT - Public Safety	4,982	1,768	-	6,750
General Fund	8,282	76,462	56,690	28,054
Debt Service Fund	44,571	-	-	44,571
Cash Operating Fund	19,000	58,228	49,945	27,283
Improvement Fund	40,565	-	-	40,565
Totals	<u>\$ 319,104</u>	<u>\$ 750,749</u>	<u>\$ 552,559</u>	<u>\$ 517,294</u>