

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF HEBRON

PORTER COUNTY, INDIANA

January 1, 2012 to December 31, 2014



**FILED**  
10/23/2015



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Theresa Waywood	01-01-12 to 12-31-15
President of the Town Council	Donald Ensign	01-01-12 to 12-31-15
Town Marshal	Steven Sibbrell Anthony Frencl (Interim) Daniel L. Henson	01-01-12 to 07-28-14 07-29-14 to 12-31-14 01-01-15 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF HEBRON, PORTER COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Hebron (Town), for the period from January 1, 2012 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

July 22, 2015

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CLERK-TREASURER  
TOWN OF HEBRON

CLERK-TREASURER  
TOWN OF HEBRON  
EXAMINATION RESULT AND COMMENT

**DISPOSAL OF TOWN ASSETS**

The Town disposed of the following assets in the years indicated for the amount shown:

<u>Years</u>	<u>Asset</u>	<u>Sales Price</u>
2012	1997 Crown Victoria Police DARE car	\$ 25
2012	1995 Dodge Dump Truck	995
2014	1998 Ford Truck and 1990 AM Dump Truck	3,000

These assets were all sold to Town employees.

Proceeds from the sales were receipted to the Pol. Gift Fund and Stormwtr Checking fund. Documentation of how the estimated value was determined was not presented for examination. The sale of these assets was not approved by the Town Council.

In 2014, proceeds totaling \$2,103 from scrapping of generators were receipted into the Pol. Gift Fund. Proceeds from the sale of scrap should be receipted into the Town's General fund.

All political subdivisions must follow IC 5-22-22 in disposing of surplus personal property. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

If the personal property to be sold is one item with an estimated value of less than \$1,000, or more than one item with an estimated total value less than \$5,000, the purchasing agency may sell the property at a public or private sale or transfer the property, without advertising. [IC 5-22-22-6] (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Proceeds generated by the sale or rental of property should be receipted into the fund which originally purchased the property unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER  
TOWN OF HEBRON  
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2015, with Theresa Waywood, Clerk-Treasurer; Donald Ensign, President of the Town Council; and Daniel L. Henson, Town Marshal.

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POLICE DEPARTMENT  
TOWN OF HEBRON

POLICE DEPARTMENT  
TOWN OF HEBRON  
EXAMINATION RESULTS AND COMMENTS

***GUN PURCHASES FROM POL. GIFT FUND***

The Police Department purchased a total of 31 various types of handguns during the period of examination. The purchases of the handguns were paid from Pol. Gift Fund. Subsequently, 14 of the handguns were sold to former police officers, reserve police officers, and private citizens. Only 16 handguns were noted on the inventory as of July 7, 2015. The following is a breakdown of handgun purchases and subsequent sales based on the records presented for examination:

<u>Years</u>	<u>Number of Handguns Purchased</u>	<u>Cost of Handguns</u>	<u>Handguns Sold Per the Records</u>	<u>Amount Received for Handgun Sales</u>
2012	21	\$ 8,619	11	\$ 5,630
2013	7	2,863	2	1,669
2014	<u>3</u>	<u>867</u>	<u>1</u>	<u>285</u>
Totals	<u>31</u>	<u>\$ 12,349</u>	<u>14</u>	<u>\$ 7,584</u>

There is no statutory authority for the police department to engage in the retail business of buying and selling firearms.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The retail sale of tangible personal property, utility services or commodities in the performance of private or proprietary activities are subject to sales tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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)

***POLICE DEPARTMENT RECEIPTS AND FEES***

Fees collected and receipts issued by the Police Department are remitted to the Clerk-Treasurer's Office. However, 40 percent of the receipts tested were remitted to the Clerk-Treasurer's Office between 8 and 18 days after the receipt issuance date.

Receipts and fees collected by a police department should be remitted to the Clerk-Treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

POLICE DEPARTMENT  
TOWN OF HEBRON  
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2015, with Daniel L. Henson, Town Marshal; Theresa Waywood, Clerk-Treasurer; and Donald Ensign, President of the Town Council.