



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

B45571

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

December 4, 2015

TO: THE OFFICIALS OF THE TOWN OF GENTRYVILLE, SPENCER 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 Gentryville (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/. 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

- *Errors on the reporting of financial information were reported in the prior report. The Annual Financial Reports filed on Gateway for 2011, 2012, 2013, and 2014 also contained a number of errors, and did not properly reflect the financial activity of the Town.*

Years	Fund	Category	Amount Per Gateway	Amount Per Ledger	Difference
2011	General	Receipts	\$ 57,364.31	\$ 56,786.63	577.68
2011	General	Disbursements	55,812.52	54,863.83	948.69
2011	CEDIT Loan and Grant	Disbursements	-	1,124.05	(1,124.05)
2011	CEDIT Loan and Grant	Ending Balance	4,495.00	3,370.95	1,124.05
2011	Wastewater Maintenance	Disbursements	-	4,500.00	(4,500.00)
2011	Wastewater Maintenance	Ending Balance	4,500.00	-	4,500.00
2011	Payroll	Beginning Balance	-	(6,434.61)	6,434.61
2011	Payroll	Receipts	-	115,627.09	(115,627.09)
2011	Payroll	Disbursements	-	122,854.02	(122,854.02)
2011	Payroll	Ending Balance	-	(13,661.54)	13,661.54
2012	Local Road and Street	Disbursements	694.89	1,394.10	(699.21)
2012	Payroll	Beginning Balance	-	(13,661.54)	13,661.54
2012	Payroll	Receipts	-	147,933.50	(147,933.50)
2012	Payroll	Disbursements	-	145,091.72	(145,091.72)
2012	Payroll	Ending Balance	-	(10,819.76)	10,819.76
2013	State Utility Bills Clearing	Receipts	-	916.40	(916.40)
2013	State Utility Bills Clearing	Disbursements	-	878.86	(878.86)
2013	Payroll	Beginning Balance	-	(10,819.76)	10,819.76
2013	Payroll	Receipts	-	161,982.42	(161,982.42)
2013	Payroll	Disbursements	-	148,779.24	(148,779.24)
2013	Payroll	Ending Balance	-	2,383.42	(2,383.42)
2014	Operation Pull Over Grant	Receipts	-	1,420.00	(1,420.00)
2014	Operation Pull Over Grant	Disbursements	-	1,420.00	(1,420.00)
2014	Payroll	Beginning Balance	-	2,383.42	(2,383.42)
2014	Payroll	Receipts	-	126,364.61	(126,364.61)
2014	Payroll	Disbursements	-	129,928.65	(129,928.65)
2014	Payroll	Ending Balance	-	(1,180.62)	1,180.62
2014	Clearing	Receipts	-	9,386.00	(9,386.00)
2014	Clearing	Disbursements	-	10,030.84	(10,030.84)
2014	Clearing	Ending Balance	-	(644.84)	644.84

Adjustments to the Annual Financial Reports filed on Gateway and/or to the ledger were proposed and approved by Town officials.

- Disbursements in excess of approved appropriations were reported in the prior report. The records presented for review showed the following disbursements in excess of budgeted appropriations during the current period:

Years	Fund	Excess Amount Disbursed
2010	Cumulative Capital Improvement	\$ 1,274
2012	General	4,901
2014	General	2,027

- The payment of penalties and interest was reported in the prior report. Penalties, interest, and other charges were paid to the Indiana Department of Revenue in the amount of \$258 during the current period because payments were not made on a timely basis.

Current Period Comments

- *The following funds had overdrawn cash balances at December 31:*


<u>Years</u>	<u>Fund</u>	<u>Amount</u>
2010	Payroll	\$ 6,435
2011	Payroll	13,662
2012	Payroll	10,820
2014	Payroll	1,181
2014	Clearing	645

- *Compensation paid to the Town Marshal was not in accordance with the salary ordinance for 2014. Compensation for extra duties performed under an operation pullover grant was not included in the salary ordinance.*
- *Town Council members were paid without federal, state, and local taxes being withheld for the years 2010, 2011, 2012, 2013, and 2014.*
- *Payroll taxes withheld were not properly remitted in a timely manner to the Internal Revenue Service and the Indiana Department of Revenue.*
- *The wages reported on the W-2s issued for 2011, 2012, and 2014 did not agree with the actual amounts paid to employees.*
- *W-2s were not issued for Town Council members for 2010, 2011, 2012, 2013, and 2014.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 Form 100-R reported the Utility Superintendent's total compensation was \$58,794, but the Utility Superintendent actually was paid \$56,052 in 2012. The 2013 Form 100-R reported net compensation received by each employee and not the gross compensation as required. The 2013 Form 100-R did not include the compensation of the Clerk-Treasurer. The 2014 Form 100-R stated the Town Marshal's total compensation was \$5,870, but the Town Marshal was actually paid \$6,370.*
- *The Annual Financial Report was not published in accordance with Indiana Code 5-3-1-3 for the years 2010, 2011, 2012, 2013, and 2014.*
- *Each elected officer of the Town did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, and 2014.*
- *Each elected officer of the Town did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting with a Unit) by December 31, 2012, 2013, and 2014.*
- *Annual Financial Reports are due to be filed electronically with Indiana State Board of Accounts no later than March 1 of each year. The Annual Financial Reports for 2010, 2011, and 2012 were not filed electronically until March 30, 2011; April 3, 2012; and March 28, 2013, respectively.*

- *Town officials did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011 and 2014. The reports were filed on February 3, 2012, and February 11, 2015, which was 3 and 11 days past the due date, respectively.*

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 1, 2015, with Mike Ellis, Town Council President; Martha DeWitt, Town Council Vice-President; Tina Kendall, Town Council Secretary; Rebecca Hart, Clerk-Treasurer and Mona K. Gaesser, Deputy Clerk Treasurer.


Paul D. Joyce, CPA
State Examiner