

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FILLMORE

PUTNAM COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
11/14/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wanda Seidler	01-01-15 to 04-04-15
	(Vacant)	04-05-15 to 04-13-15
	Paul Alleyn	04-14-15 to 08-08-15
	(Vacant)	08-09-15 to 09-30-15
	Thomas P. Gilson	10-01-15 to 04-05-18
President of the Town Council	Jayna Haldeman	04-06-18 to 12-31-19
	Alan F Jones	01-01-15 to 12-31-15
	Curt Leonard	01-01-16 to 12-31-17
	C.J. Haller	01-01-18 to 12-31-18
	Bill Ashcraft	01-01-19 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF FILLMORE, PUTNAM COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Fillmore (Town), for the period from January 1, 2015 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Audit Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at 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 Audit 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

August 15, 2019

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CLERK-TREASURER
TOWN OF FILLMORE

CLERK-TREASURER
TOWN OF FILLMORE
AUDIT RESULTS AND COMMENTS

OVERPAYMENT OF COMPENSATION

Condition and Context

Thomas Gilson (T. Gilson), former Clerk-Treasurer, received compensation in excess of his approved salary in 2017 in accordance with the proper salary ordinance, totaling \$399.24.

Criteria

Indiana Code 36-5-3-2(c) states: "The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

T. Gilson was requested to repay the overpayment of compensation paid by the Clerk-Treasurer in the amount of \$399.24. (See Summary of Charges, page 11)

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

Penalties, interest, and other charges totaling \$6,490.94 were assessed upon and paid by the Town to the Indiana Department of Revenue (DOR), Indiana Department of Workforce Development (DWD), and the Internal Revenue Service (IRS) during the audit period.

The Town paid penalties, interest, and other charges totaling \$966.50 for late remittance of payroll withholding tax as follows:

<u>Date Paid</u>	<u>Vendor</u>	<u>Description</u>	<u>Penalty</u>	<u>Interest</u>	<u>Collection Fee</u>	<u>Totals</u>
12-28-15	Indiana Department of Revenue	October 2015 Withholding Tax	\$ 56.09	\$ 1.06	\$ -	\$ 57.15
02-01-16	Indiana Department of Revenue	November 2015 Withholding Tax	43.25	0.72	-	43.97
04-13-16	Indiana Department of Revenue	January 2016 Withholding Tax	35.91	0.82	-	36.73
04-13-16	Indiana Department of Revenue	February 2016 Withholding Tax	38.13	0.27	-	38.40
06-26-16	Indiana Department of Revenue	April 2016 Withholding Tax	38.13	0.56	-	38.69
05-03-17	Indiana Department of Revenue	July 2016 Withholding Tax	38.13	5.19	7.32	50.64
05-03-17	Indiana Department of Revenue	August 2016 Withholding Tax	54.61	6.51	-	61.12
05-03-17	Indiana Department of Revenue	September 2016 Withholding Tax	38.13	3.90	-	42.03
03-01-17	Indiana Department of Revenue	October 2016 Withholding Tax	38.13	2.93	-	41.06
03-01-17	Indiana Department of Revenue	November 2016 Withholding Tax	44.00	2.66	-	46.66
03-01-17	Indiana Department of Revenue	December 2016 Withholding Tax	102.35	0.79	-	103.14
03-01-17	Indiana Department of Revenue	January 2017 Withholding Tax	43.80	0.43	-	44.23
10-04-17	Indiana Department of Revenue	March 2017 Withholding Tax	60.17	0.86	9.02	70.05
10-04-17	Indiana Department of Revenue	May 2017 Withholding Tax	44.31	3.79	-	48.10

CLERK-TREASURER
TOWN OF FILLMORE
AUDIT RESULTS AND COMMENTS
(Continued)

Date Paid	Vendor	Description	Penalty	Interest	Collection Fee	Totals
10-04-17	Indiana Department of Revenue	June 2017 Withholding Tax	44.31	2.66	-	46.97
10-04-17	Indiana Department of Revenue	July 2017 Withholding Tax	44.31	1.57	-	45.88
10-04-17	Indiana Department of Revenue	August 2017 Withholding Tax	61.44	0.50	-	61.94
09-30-18	Indiana Department of Revenue	October 2017 Withholding Tax	44.31	1.25	-	45.56
09-30-18	Indiana Department of Revenue	November 2017 Withholding Tax	44.31	0.04	-	44.35
Total Assessed to Town by Indiana Department of Revenue			<u>\$ 913.82</u>	<u>\$ 36.51</u>	<u>\$ 16.34</u>	<u>\$ 966.67</u>
Adjustments for Actual Amounts Paid by Town						(0.17)
Total Paid by Town to Indiana Department of Revenue						<u>\$ 966.50</u>

The Town paid penalties, interest, and other charges totaling \$1,565.28 for late remittance of sales tax as follows:

Date Paid	Vendor	Description	Penalty	Interest	Collection Fee	Totals
02-01-16	Indiana Department of Revenue	October 2015 Sales Tax	\$ 68.80	\$ 2.84	\$ -	\$ 71.64
02-01-16	Indiana Department of Revenue	November 2015 Sales Tax	74.23	1.24	-	75.47
04-13-16	Indiana Department of Revenue	January 2016 Sales Tax	76.18	1.74	-	77.92
04-13-16	Indiana Department of Revenue	February 2016 Sales Tax	59.51	0.42	-	59.93
06-28-16	Indiana Department of Revenue	April 2016 Sales Tax	57.41	0.85	-	58.26
01-20-17	Indiana Department of Revenue	July 2016 Sales Tax	67.63	5.60	-	73.23
01-20-17	Indiana Department of Revenue	August 2016 Sales Tax	73.19	4.82	-	78.01
02-08-17	Indiana Department of Revenue	September 2016 Sales Tax	77.35	6.08	-	83.43
02-08-17	Indiana Department of Revenue	October 2016 Sales Tax	80.72	5.02	-	85.74
02-08-17	Indiana Department of Revenue	November 2016 Sales Tax	63.86	2.92	-	66.78
02-08-17	Indiana Department of Revenue	December 2016 Sales Tax	69.51	1.43	-	70.94
10-13-17	Indiana Department of Revenue	March 2017 Sales Tax	59.71	0.85	8.98	69.54
12-19-17	Indiana Department of Revenue	April 2017 Sales Tax	64.71	10.74	103.00	178.45
09-30-18	Indiana Department of Revenue	May 2017 Sales Tax	61.99	10.55	-	72.54
09-30-18	Indiana Department of Revenue	June 2017 Sales Tax	68.74	9.94	-	78.68
09-30-18	Indiana Department of Revenue	July 2017 Sales Tax	69.70	8.36	-	78.06
09-30-18	Indiana Department of Revenue	August 2017 Sales Tax	69.70	6.47	-	76.17
09-30-18	Indiana Department of Revenue	September 2017 Sales Tax	64.44	4.50	-	68.94
09-30-18	Indiana Department of Revenue	October 2017 Sales Tax	63.68	2.83	-	66.51
09-30-18	Indiana Department of Revenue	November 2017 Sales Tax	73.77	1.27	-	75.04
Total Assessed to Town by Indiana Department of Revenue			<u>\$ 1,364.83</u>	<u>\$ 88.47</u>	<u>\$ 111.98</u>	<u>\$ 1,565.28</u>
Adjustments for Actual Amounts Paid by Town						-
Total Paid by Town to Indiana Department of Revenue						<u>\$ 1,565.28</u>

The Town paid penalties, interest, and other charges totaling \$484.27 for failing to properly file quarterly state unemployment tax as follows:

CLERK-TREASURER
TOWN OF FILLMORE
AUDIT RESULTS AND COMMENTS
(Continued)

Date Paid	Vedor	Description	Penalty	Interest	Special Charge	Totals
08-23-18	Indiana Department of Workforce Development	3rd Quarter 2016 State Unemployment Tax	\$ 65.82	\$ 26.86	\$ 0.95	\$ 93.63
05-08-18	Indiana Department of Workforce Development	4th Quarter 2016 State Unemployment Tax	58.32	12.14	3.50	73.96
05-08-18	Indiana Department of Workforce Development	1st Quarter 2017 State Unemployment Tax	90.74	52.91	-	143.65
12-31-18	Indiana Department of Workforce Development	2nd Quarter 2017 State Unemployment Tax	72.83	29.40	-	102.23
12-31-18	Indiana Department of Workforce Development	3rd Quarter 2017 State Unemployment Tax	65.77	15.80	-	81.57
12-31-18	Indiana Department of Workforce Development	4th Quarter 2017 State Unemployment Tax	6.91	1.38	-	8.29
Total Assessed to Town by Indiana Department of Workforce Development			<u>\$ 360.39</u>	<u>\$ 138.49</u>	<u>\$ 4.45</u>	<u>\$ 503.33</u>
Adjustments for Actual Amounts Paid by Town						(19.06)
Total Paid by Town to Indiana Department of Workforce Development						<u>\$ 484.27</u>

The Town paid penalties and interest totaling \$3,474.88 for failing to properly file Employer's Quarterly Federal Tax Return (IRS Form 941); and late remittance of payroll withholding tax as follows:

Date Paid	Vedor	Description	Penalty	Interest	Totals	
03-22-18	Internal Revenue Service	3rd Quarter 2016 Federal Tax Penalty for filing tax return after due date	\$ 813.38	\$ -	\$ 813.38	
03-22-18	Internal Revenue Service	3rd Quarter 2016 Federal Tax Deposit Penalty and Interest	447.36	-	447.36	
03-22-18	Internal Revenue Service	3rd Quarter 2016 Federal Tax Penalty and Interest for late payment of tax	90.37	74.20	164.57	
03-22-18	Internal Revenue Service	3rd Quarter 2016 Federal Tax Interest for late payment of tax	-	45.32	45.32	
03-22-18	Internal Revenue Service	3rd Quarter 2016 Federal Tax Credit	-	-	(36.75)	
12-05-18	Internal Revenue Service	1st Quarter 2017 Federal Tax Deposit Penalty	346.33	-	346.33	
12-05-18	Internal Revenue Service	1st Quarter 2017 Federal Tax Interest for late payment of tax	-	15.09	15.09	
03-22-18	Internal Revenue Service	3rd Quarter 2017 Federal Tax Penalty for filing tax return after due date	709.52	-	709.52	
03-22-18	Internal Revenue Service	3rd Quarter 2017 Federal Tax Deposit Penalty	525.56	-	525.56	
03-22-18	Internal Revenue Service	3rd Quarter 2017 Federal Tax Penalty and Interest for late payment of tax	78.84	47.02	125.86	
03-22-18	Internal Revenue Service	4th Quarter 2017 Federal Tax Deposit Penalty	318.64	-	318.64	
Total Assessed to Town by Internal Revenue Service			<u>\$ 3,330.00</u>	<u>\$ 181.63</u>	<u>\$ 3,474.88</u>	
Adjustments for Actual Amounts Paid by Town						-
Total Paid by Town to Internal Revenue Service						<u>\$ 3,474.88</u>

T. Gilson, former Clerk-Treasurer, was responsible for filing remittance reports and for making timely remittances of payroll withholding tax related to the penalties and interest that were assessed and paid to the DOR, the DWD, and the IRS.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

T. Gilson was requested to repay the penalties, interest, and other charges paid by the Town to the DOR, the DWD, and the IRS in the amounts of \$2,531.78, \$484.27, and \$3,474.88, respectively. (See Summary of Charges, page 11)

CLERK-TREASURER
TOWN OF FILLMORE
AUDIT RESULTS AND COMMENTS
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Condition and Context

The Town did not comply with the filing requirements of the DOR, the DWD, and the IRS by failing to properly and/or timely remit payroll withholding, sales, state unemployment, and other federal taxes during the audit period.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OFFICIAL BOND COVERAGE

The Town obtained Public Officials' Bonds for Thomas P. Gilson, former Clerk-Treasurer, as follows:

<u>Surety Company</u>	<u>Term</u>	<u>Amount</u>
The Cincinnati Insurance Company	January 1, 2016 to January 1, 2017	\$ 30,000
The Cincinnati Insurance Company	January 1, 2017 to December 31, 2017	30,000
The Cincinnati Insurance Company	January 1, 2018 to January 1, 2019	30,000

CLERK-TREASURER
TOWN OF FILLMORE
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2019, with Thomas P. Gilson, former Clerk-Treasurer; Jayna Haldeman, Clerk-Treasurer; C.J. Huller, Town Council member; and Robin Duncan, Town Council member.

CLERK-TREASURER
TOWN OF FILLMORE
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Thomas P. Gilson, former Clerk Treasurer:			
Overpayment of Compensation, page 6	\$ 399.24	\$ -	\$ 399.24
Penalties, Interest, and Other Charges, pages 6 through 8			
DOR - Penalties, Interest, and Other Charges (Withholding Tax)	966.50	-	966.50
DOR - Penalties, Interest, and Other Charges (Sales Tax)	1,565.28	-	1,565.28
DWD - Penalties, Interest, and Other Charges	484.27	-	484.27
IRS - Penalties, Interest, and Other Charges	3,474.88	-	3,474.88
Totals	\$ 6,890.17	\$ -	\$ 6,890.17

This report was forwarded to the Office of the Indiana Attorney General.

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AFFIDAVIT

STATE OF INDIANA)
)
Vigo COUNTY)

We, Bailey Heald and Andrew J. Nicodemus, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Town of Fillmore, Putnam County, Indiana, for the period from January 1, 2015 to December 31, 2018 is true and correct to the best of our knowledge and belief.

Bailey Heald
[Signature]
Field Examiners

Subscribed and sworn to before me this 15th day of October, 2019

[Signature]
Notary of the Public

My Commission Expires: 7/21/22

County of Residence: Vigo

