

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF PONETO

WELLS COUNTY, INDIANA

January 1, 2017 to December 31, 2019



FILED
08/13/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>	
Clerk-Treasurer	Roy D. Schoeff	01-01-17 to 07-10-17	
	(Vacant)	07-11-17 to 07-18-17	
	Sadi R. Curtis	07-19-17 to 12-26-17	
	(Vacant)	12-27-17 to 01-08-18	
	Kemberley D. Bower	01-09-18 to 12-31-19	
President of the Town Council	Lou Ann Reinhard	01-01-20 to 12-31-20	
	Steven R. Rush	01-01-17 to 12-31-19	
	Rebecca Smith	01-01-20 to 12-31-20	



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF PONETO, WELLS COUNTY, INDIANA

This report is supplemental to our compliance report of the Town of Poneto (Town), for the period from January 1, 2017 to December 31, 2019. It should be read in conjunction with our Compliance Report of the Town which 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 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

June 29, 2020

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CLERK-TREASURER
TOWN OF PONETO

CLERK-TREASURER
TOWN OF PONETO
RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

Kemberley D. Bower (Bower), former Clerk-Treasurer, was responsible for timely filing required federal reports. Reporting of the quarterly wages on the IRS Employer's Quarterly Federal Tax Return (Form 941) for 2018 and 2019 was not completed timely, resulting in penalties and interest paid during 2019 and 2020 as follows:

Description	2018 Amount	2019 Amount	Date Paid
2018 - 1st Qtr. 941	\$ 253.80	\$ -	03-24-19
2018 - 2nd Qtr. 941	234.53	-	05-01-19
2018 - 3rd Qtr. 941	136.60	-	05-01-19
2019 - 1st Qtr. 941	-	16.94	05-01-19
2019 - 2nd Qtr. 941	-	240.60	03-16-20
2019 - 3rd Qtr. 941	-	143.63	03-16-20
Totals	<u>\$ 624.93</u>	<u>\$ 401.17</u>	

In addition, we also noted late charges paid to the electricity provider in the amount of \$46.23 during 2019.

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)

Bower reimbursed the Town for penalties, interest, and other charges paid for required federal reports and late charges paid to an electricity provider in the amount of \$1,072.33. (See Summary of Charges, page 8)

OFFICIAL BOND COVERAGE

The Town obtained public official bond coverage for Bower, through Western Surety Company for three terms during the period of January 9, 2018 to October 19, 2020, in the amount of \$30,000 each term.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, employee, or contractor of a political subdivision . . . shall file the bond with the fiscal officer of the political subdivision and in the office of the county recorder . . ."

CLERK-TREASURER
TOWN OF PONETO
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2020, with Kemberley D. Bower, former Clerk-Treasurer; Lou Ann Reinhard, Clerk-Treasurer; Rebecca Smith, President of the Town Council; and Roy D. Schoeff, former Clerk-Treasurer.

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

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Kemberley D. Bower, former Clerk-Treasurer: Penalties, Interest, and Other Charges, page 6	\$ 1,072.33	\$ 1,072.33	\$ -
Totals	<u>\$ 1,072.33</u>	<u>\$ 1,072.33</u>	<u>\$ -</u>