

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF NEW RICHMOND

MONTGOMERY COUNTY, INDIANA

January 1, 2018 to December 31, 2021



FILED
08/01/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Alaathea Foust	01-01-18 to 12-31-22
President of the Town Council	Rebecca Scott	01-01-18 to 12-31-18
	Earl Martin	01-01-19 to 12-31-21
	Minnie Howard	01-01-22 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE TOWN OF NEW RICHMOND, MONTGOMERY COUNTY, INDIANA

This report is supplemental to our audit report of the Town of New Richmond (Town), for the period from January 1, 2018 to December 31, 2021. 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 opinions 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

July 27, 2022

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TOWN COUNCIL
TOWN OF NEW RICHMOND

TOWN COUNCIL
TOWN OF NEW RICHMOND
AUDIT RESULT AND COMMENT

GOVERNMENT EMPLOYEE HOLDING OFFICE

Condition and Context

There was a Town employee who also held a position on the Town Council. The employee was hired as the Town Superintendent in April 2015 and is still currently the Town Superintendent. The employee was elected to the Town Council in January 2016. The employee was appointed as President of the Town Council on January 8, 2019, and held that position for all of 2019, 2020, and 2021. The employee was re-elected to the Town Council on January 4, 2022, but resigned his position on the Town Council on March 1, 2022. From January 1, 2018 to March 1, 2022, the employee received compensation as the Town Superintendent in the amount of \$55,800 and compensation for being on the Town Council in the amount of \$10,200.

There was another Town employee that was also a Town Council member during the period of January 1, 2018 to December 31, 2021. The employee received compensation during the audit period in the amount of \$2,066 as a Town employee and \$8,800 as a Town Council member. The employee resigned their position as a Town employee at the end of October 2021 and remained on the Town Council.

Criteria

Indiana Code 3-5-9-5 states: "Except as provided in section 7 of this chapter, an individual is considered to have resigned as a government employee when the individual assumes an elected office of the unit that employs the individual."

Indiana Code 3-5-9-7 states:

"(a) Notwithstanding sections 4 and 5 of this chapter, a government employee who assumes or holds an elected office on January 1, 2013, may continue to hold the elected office and be employed as a government employee until the term of the elected office that the government employee is serving on January 1, 2013, expires.

(b) After the expiration of the term of the elected office that the government employee referred to in subsection (a) is serving on January 1, 2013, the government employee is subject to section 5 of this chapter with respect to assuming or holding an elected office and being employed by the unit that employs the government employee."

TOWN COUNCIL
TOWN OF NEW RICHMOND
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2022, with Alaathea Foust, Clerk-Treasurer; Minnie Howard, President of the Town Council; and Shelly Wulfers, Town Council member.