

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CHURUBUSCO

WHITLEY COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
02/26/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Geraldine Johnson	01-01-08 to 12-31-11
	Madalyn Sade-Bartl	01-01-12 to 12-31-15
President of the Town Council	Frank Kessler	01-01-11 to 12-31-14
	Mark Pepple	01-01-15 to 12-31-15
Town Supervisor	Jeremy Hart	01-01-11 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE TOWN OF CHURUBUSCO, WHITLEY COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Churubusco (Town), for the period from January 1, 2011 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/.

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

January 11, 2016

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CLERK-TREASURER
TOWN OF CHURUBUSCO

CLERK-TREASURER
TOWN OF CHURUBUSCO
EXAMINATION RESULTS AND COMMENTS

FLAT RATE WASTEWATER TREATMENT FEES

Approximately 90 customers (Blue Lake residents that do not have Churubusco water service) are paying \$51.82 for monthly flat rate sewage treatment to the Town of Churubusco Wastewater Utility. Ordinance 2014-03, amending sewer rates and charges, did not establish a flat rate fee for these customers.

This comment was also included in Prior Report No. B38836.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ERRORS ON CREDIT CARD CLAIMS

A test of credit card claims paid in 2014 identified the following deficiency with an error rate greater than 10 percent:

Of the twelve credit card claims tested, 100 percent did not have adequate supporting documentation for one or more credit card purchases. This error resulted in \$5,079 of expenditures which did not have adequate supporting documentation.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TOWN OF CHURUBUSCO

State Board of Accounts
302 W. Washington St.
Rm. E 418
Indianapolis, IN 46204-2765

January 11, 2016

RE: OFFICIAL'S RESPONSE: Town of Churubusco

Dear Sir or Madam;

The Town of Churubusco recently underwent an audit for audit years 2011 to 2014. The Clerk-Treasurer's office received two comments of which I would like to comment.

The first comment, which was found on both the Clerk-Treasurer's results and the Town Council's results, pertained to a flat rate being charged to the residents of a local lake community and the charge not being identified on our current sewer rate ordinance. This item, which was on our last audit, was mentioned to our attorney prior to the ordinance being amended in 2014, but the proper follow-up was not done when it was introduced and passed. The Council and I are committed to rectifying this issues and amendment to the ordinance will be made prior to February 11, 2016.

The second comment pertained to errors on credit card claims. I am aware this has been an ongoing issue. In the past, my office has not been as tough as it has needed to be with other employees who have used the cards in collecting the necessary receipts as all charges have been legitimate purchases. This has changed since being audited. My office is committed to rectifying this issue and will be holding employees who do not provide receipts personally responsible for all charges associated with those purchases.

Thank you for allowing me to respond to these two comments. I just wanted to let the State Board of Accounts know that I am working on correcting these issues and there should be no issues in further audits.

Sincerely,



Madalyn Sade-Bartl
Clerk-Treasurer, Town of Churubusco



530 SOUTH MAIN ST.
CHURUBUSCO, IN 46723

PHONE (260) 693-9350
FAX (260) 693-1799
E-MAIL TURTLETOWNUSA@AOL.COM

CLERK-TREASURER
TOWN OF CHURUBUSCO
EXIT CONFERENCE

The contents of this report were discussed on January 11, 2016, with Madalyn Sade-Bartl, Clerk-Treasurer, and Mark Pepple, President of the Town Council.

TOWN COUNCIL
TOWN OF CHURUBUSCO

TOWN COUNCIL
TOWN OF CHURUBUSCO
EXAMINATION RESULT AND COMMENT

FLAT RATE WASTEWATER TREATMENT FEES

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