

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF PATOKA

GIBSON COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
04/25/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Stephanie Berry	01-01-08 to 12-31-19
President of the Town Council	Jim Austill	01-01-11 to 12-31-11
	Christian Hartley	01-01-12 to 12-31-12
	Charles Heflin	01-01-13 to 09-16-14
	Herbert O. Gray	09-17-14 to 12-31-16
Superintendent of Water Utility	(Vacant)	01-01-11 to 01-31-12
	J.B. Brines	02-01-12 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF PATOKA, GIBSON COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Patoka (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 25, 2016

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CLERK-TREASURER
TOWN OF PATOKA

CLERK-TREASURER
TOWN OF PATOKA
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Local Road & Street	2011	\$ 433
River Boat	2013	144
Local Road & Street	2013	394

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CLERK-TREASURER
TOWN OF PATOKA
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2016, with Stephanie Berry, Clerk-Treasurer, and Herbert O. Gray, President of the Town Council.

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TOWN COUNCIL
TOWN OF PATOKA

TOWN COUNCIL
TOWN OF PATOKA
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

The Town was using credit cards to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ORDINANCES AND RESOLUTIONS

The Town Council has adopted Ordinance No. 2007-1 establishing a 10 percent penalty on any and all delinquent water bills. If a water customer has a water leak on their property that results in a large utility bill, no adjustment to the bill is given by the Town. If the customer entered into a verbal agreement with the Town to make monthly payments until the complete bill was paid, the Town waived all penalties that would have been charged during this period. The waiving of penalties when water leaks occur was not addressed in Ordinance No. 2007-1.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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TOWN OF PATOKA
EXIT CONFERENCE

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