

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF SPURGEON

PIKE COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
05/20/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Dorothy A. Julian	01-01-11 to 12-31-16
President of the Town Council	Eric Heaton	01-01-11 to 12-31-16
Superintendent of Water Utility	Larry W. Julian	01-01-11 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF SPURGEON, PIKE COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Spurgeon (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/](http://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

March 3, 2016

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CLERK-TREASURER  
TOWN OF SPURGEON

CLERK-TREASURER  
TOWN OF SPURGEON  
EXAMINATION RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT**

The Annual Financial Reports for 2011 and 2013 were not filed within 60 days of year end. The report for 2011 was not filed electronically until March 15, 2012, and the report for 2013 was not filed electronically until March 25, 2014.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

**APPROPRIATIONS**

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

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Expended</u>
2011	Rainy Day	\$ 172

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 SPURGEON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***REPORT OF NAMES, ADDRESSES, DUTIES AND COMPENSATION OF PUBLIC EMPLOYEES***

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) for the years 2011, 2013, and 2014 were not submitted until March 30, 2012, March 3, 2014, and February 26, 2015, respectively.

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

***PENALTIES, INTEREST, AND OTHER CHARGES***

The Town paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$72 because the Town did not remit payments on a timely basis.

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER  
TOWN OF SPURGEON  
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2016, with Dorothy A. Julian, Clerk-Treasurer, and Ronald Beadles, Town Council Member.

TOWN COUNCIL  
TOWN OF SPURGEON

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TOWN OF SPURGEON  
EXAMINATION RESULTS AND COMMENTS

***ORDINANCES AND RESOLUTIONS - WATER PENALTIES***

The Town Council has adopted Ordinance No. 2005-2 establishing a penalty on all water utility bills not paid within fifteen days from the due date of 10 percent on the first \$3.00 and 3 percent on the excess over \$3.00. If a customer has a water leak that results in a large utility bill, no adjustment is given by the Town. If the customer enters into a verbal agreement with the Town to make monthly payments until the complete bill is paid, the Town waives all penalties that would have been charged during this period.

The procedure used for handling water leaks is not addressed in Ordinance No. 2005-2. In addition, there were seven water customers who were not being assessed penalties because they were coded as penalty exempt in the billing software. No explanation was available to support the penalty exempt coding.

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)

TOWN COUNCIL  
TOWN OF SPURGEON  
EXIT CONFERENCE

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