

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF PIERCETON

KOSCIUSKO COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED
12/19/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Audit Results and Comments:	
Annual Financial Report - Other Information	6
Capital Assets	7
Moving Traffic Violations	7
Exit Conference	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jerry F. Kreger Myra L. Mast	01-01-19 to 12-31-19 01-01-20 to 12-31-23
President of the Town Council	Matthew Brubaker Thomas Barker Armando Espinoza Matthew Brubaker	01-01-19 to 12-31-19 01-01-20 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 12-31-23



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 PIERCETON, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Pierceton (Town), for the period from January 1, 2019 to December 31, 2022. 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 the 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 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

December 11, 2023

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF PIERCETON

CLERK-TREASURER
TOWN OF PIERCETON
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The accounts payable, accounts receivable, and capital assets information entered into Gateway contained the following errors:

Accounts Payable and Accounts Receivable

For the year ended 2022, the Town inadvertently entered total disbursements and total receipts for accounts payable and accounts receivable, respectively, for governmental activities, waste-water utility, and water utility.

Adjustments were proposed, accepted by the Town, and made to the Schedule of Payables and Receivables presented as Other Information in the Financial Statements Audit Report of the Town.

Capital Assets

The Town was unable to provide a detailed capital asset record to support the capital asset amounts reported in the AFR. The Town approved the omission of the Schedule of Capital Assets from the Financial Statements Audit Report of the Town.

Criteria

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

"The state examiner shall require from every audited entity 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](#)."

CLERK-TREASURER
TOWN OF PIERCETON
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

The Town maintained two separate sets of records for capital assets. One set, which was handwritten using City and Town Form No. 211, maintained capital assets up through the year 2015. The other set, which involved the Town's accounting software and produced the Capital Asset Ledger (Form 369), maintained capital assets from the year 2019 to the present day. There was no supporting documentation provided for audit for the maintenance of capital assets between the years 2015 and 2018. In addition, the Town had not performed a complete physical inventory within the last two years as required.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MOVING TRAFFIC VIOLATIONS

Condition and Context

The Town did not process fines/fees for moving traffic violations through a court of law.

Criteria

Indiana Code 36-1-6-3(c) states: "An ordinance defining a moving traffic violation may not be enforced under [IC 33-36](#) and must be enforced in accordance with [IC 34-28-5](#)."

The accounts of each public official and public office should reflect the proper treatment of fines collected for moving traffic violations as required by Indiana Code § 36-1-6-3(c), Indiana Code Ch. 34-28-5, and this Directive. Failure to do so will result in a civil action against those public officials who are responsible for the improper enforcement and collection of fines for moving traffic violations as allowable by law. (State Examiner Directive 2015-1)

CLERK-TREASURER
TOWN OF PIERCETON
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2023, with Myra L. Mast, Clerk-Treasurer; Matthew Brubaker, President of the Town Council; Janet Castle, Town Council member; and Thomas Barker, Town Council member.

The contents of this report were discussed on December 11, 2023, with Jerry F. Kreger, former Clerk-Treasurer.