

**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, 2011 to December 31, 2014



**FILED**  
12/18/2015



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Clerk-Treasurer:	
Examination Results and Comments:	
Condition of Records.....	6
Penalties and Interest .....	6
Exit Conference .....	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet L. Castle	01-01-08 to 12-31-15
President of the Town Council	Jerry Kreger Armando Espinoza	01-01-11 to 12-31-11 01-01-12 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF PIERCETON, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Pierceton (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

September 22, 2015

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CLERK-TREASURER  
TOWN OF PIERCETON

CLERK-TREASURER  
TOWN OF PIERCETON  
EXAMINATION RESULTS AND COMMENTS

**CONDITION OF RECORDS**

The examination of the records of the Town disclosed the following:

1. Errors were made in posting state tax distributions to the General, Motor Vehicle Highway, Local Road and Street, and Economic Development Income Tax funds during years ended December 31, 2011, 2012, and 2013. As a result of these errors, it was recommended the officials transfer \$1,652 from Local Road and Street to Motor Vehicle Highway and \$1,464 from Economic Development Income Tax to General.
2. Unidentified balances totaling \$1,705 from prior years remain in payroll withholding funds at December 31, 2014. It was recommended the officials transfer the unidentified balances to the General Fund.
3. Electronic deposits made to the Town's bank account in December 2013 were not posted to the records until February 25, 2014. The reconciling amounts were reported on the Town's financial statement by reducing disbursements for 2013.
4. A Sewer Operating fund revenue bond ordinance transfer of \$25,000 made in 2014 was not receipted to the Sewer Bond and Interest fund until January 30, 2015.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**PENALTIES AND INTEREST**

The Town paid penalties and interest to the Indiana Department of Revenue on March 10, 2011, in the amount of \$190 for late remittance of November 2010 payroll taxes.

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 PIERCETON  
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2015, with Janet L. Castle, Clerk-Treasurer, and James G. Bumbaugh, Town Council member.