

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CLOVERDALE

PUTNAM COUNTY, INDIANA

January 1, 2011 to December 31, 2012



**FILED**  
04/14/2016



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                           | <u>Official</u>                                 | <u>Term</u>  |
|---|---|--|
| Clerk-Treasurer                         | Cathleen Monaco<br>Cheryl Galloway              | 07-12-10 to 12-31-11<br>01-01-12 to 12-31-19                         |
| President of the<br>Town Council        | Cathy Tipton<br>Donald Sublett<br>Coweta Patton | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-12<br>01-01-13 to 12-31-16 |
| Superintendent<br>of Utilities          | J. Richardson Saucerman (Interim)               | 01-01-11 to 12-18-13   |
| Superintendent<br>of Water Utility      | J. Richardson Saucerman                         | 01-01-11 to 12-18-13   |
| Superintendent<br>of Wastewater Utility | Charles B. Shurig                               | 01-01-11 to 12-18-13   |
| Superintendent<br>of Public Works       | Chuck Knuf                                      | 12-19-13 to 11-13-14   |
| Town Manager                            | Wayne Galloway                                  | 11-14-14 to 12-03-16   |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Cloverdale (Town), for the period from January 1, 2011 to December 31, 2012. 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 Statement Examination Report of the Town, which provides our opinion on the Town's financial statement. 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

January 7, 2016

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CLERK-TREASURER  
TOWN OF CLOVERDALE

CLERK-TREASURER  
TOWN OF CLOVERDALE  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The financial statement presented for examination included the following fund with an overdrawn cash balance at December 31, 2011 and 2012:

| <u>Years</u> | <u>Fund</u>              | <u>Amount<br/>Overdrawn</u> |
|--------------|--------------------------|-----------------------------|
| 2011         | Sewage Utility Operating | \$ 82,923                   |
| 2012         | Sewage Utility Operating | 21,052                      |

**DELINQUENT WASTEWATER ACCOUNTS**

Delinquent wastewater fees and penalties were not recorded with the County Recorder nor were they certified to the County Auditor, which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
  - (B) A description of the premises, as shown by the records of the county auditor.
  - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the unpaid liens for collection in the next May. . . ."

CLERK-TREASURER  
TOWN OF CLOVERDALE  
EXIT CONFERENCE

The contents of this report were discussed on January 7, 2016, with Cheryl Galloway, Clerk-Treasurer; Wayne Galloway, Town Manager; and Coweta Patton, President of the Town Council.

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TOWN COUNCIL  
TOWN OF CLOVERDALE

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TOWN OF CLOVERDALE  
EXAMINATION RESULT AND COMMENT

***ORDINANCES AND RESOLUTIONS***

The Town adopted rate ordinances in October 2012, prescribing water and wastewater rates to be charged to customers as well as rates for charges for hydrants and automatic sprinklers. During testing of individual customer account billings, we noted the Town did not comply with its existing ordinances. One of the ten tested wastewater customer account billings was billed at less than the ordinance rates due to a coding error in the billing software. It was also noted that nine of nine tested billings for automatic sprinklers were incorrect due to the same coding error.

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 CLOVERDALE  
EXIT CONFERENCE

The contents of this report were discussed on January 7, 2016, with Chery Galloway, Clerk-Treasurer; Wayne Galloway, Town Manager; and Coweta Patton, President of the Town Council.