

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF GOODLAND

NEWTON COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
02/21/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina Ward	01-01-11 to 12-31-18
President of the Town Council	James Butler	01-01-12 to 12-31-17
Superintendent of Water Utility	Charles Rees	01-01-12 to 12-31-17
Superintendent of Wastewater Utility	John Miller	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF GOODLAND, NEWTON COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Goodland (Town), for the period from January 1, 2012 to December 31, 2015. 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 3, 2017

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CLERK-TREASURER
TOWN OF GOODLAND

CLERK-TREASURER
TOWN OF GOODLAND
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statements presented for examination included the following funds with overdrawn cash balances at December 31, 2012, 2013, 2014, and 2015:

Fund	Amount Overdrawn			
	2012	2013	2014	2015
Co Economic Development Loan	\$66,763	\$66,763	\$66,763	\$66,763
Payroll	23,677	41,401	45,696	49,684
Trash Removal	-	5,522	15,482	9,456
Water Utility - Operating	-	-	251	43,467

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLAIMS NOT PRESENTED TO COUNCIL FOR APPROVAL

The Clerk-Treasurer did not present the claims for checks generated manually to the Town Council for approval.

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

ANNUAL FINANCIAL REPORT

The Clerk-Treasurer prepared the Annual Financial Report (AFR) and electronically submitted it to the Indiana State Board of Accounts. The financial information submitted was used to generate the financial statements to be examined. The financial statements presented for examination contained the following errors:

2012

1. The beginning balance of one fund was understated \$698.
2. The receipts for two funds were understated a total of \$52,230.
3. The disbursements of one fund were understated \$39,664.

CLERK-TREASURER
TOWN OF GOODLAND
EXAMINATION RESULTS AND COMMENTS
(Continued)

2014

1. The beginning balances of two funds were overstated a total of \$121,668.
2. The receipts for two funds were understated a total of \$31,941.
3. The disbursements for two funds were understated a total of \$33,179.

2015

1. The receipts for ten funds were overstated a total of \$43,169.
2. The disbursements for six funds were overstated a total of \$36,746.

Adjustments were proposed, accepted by the Clerk-Treasurer, and made to the financial statements.

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

"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."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner, whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes."

CLERK-TREASURER
TOWN OF GOODLAND
EXIT CONFERENCE

The contents of this report were discussed on January 3, 2017, with Tina Ward, Clerk-Treasurer, and James Butler, President of the Town Council.