

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

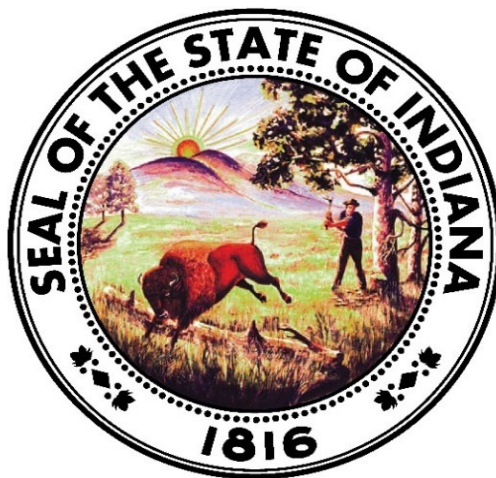
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WEST COLLEGE CORNER

UNION COUNTY, INDIANA

January 1, 2018 to December 31, 2022



**FILED**  
01/10/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith Burke Starr	01-01-18 to 12-31-23
President of the Town Council	Carolyn Portwood	01-01-18 to 12-31-18
	Juanita Fenwick	01-01-19 to 12-31-20
	Emily Bourne	01-01-21 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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TO: THE OFFICIALS OF THE TOWN OF WEST COLLEGE CORNER, UNION COUNTY, INDIANA

This report is supplemental to the audit report of the Town of West College Corner (Town), for the period from January 1, 2018 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 Statement Audit Report of the Town, which provides our opinions 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 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 21, 2023

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CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER

CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER  
AUDIT RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

Financial, supplementary information, and other information are required to be entered annually into the Annual Financial Reports (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town had not established effective internal controls over the AFR information entered into Gateway, which resulted in the following errors:

*Financial Data and Required Supplementary Information*

- The 2019 receipts and the ending cash and investments balance for the MVH fund were overstated by \$81,054.
- The 2019 receipts and the ending cash and investments balance for the MVH Restricted fund were understated by \$81,054.
- The MVH fund 2020 beginning cash and investments balance was overstated by \$81,054, receipts overstated by \$12,830, disbursements overstated by \$12,700, and the ending cash and investments balance was overstated by \$81,184.
- The MVH Restricted fund 2020 beginning cash and investments balance was understated by \$81,054, receipts understated by \$12,830, disbursements understated by \$12,700, and the ending cash and investments balance was understated by \$81,184.
- The MVH fund 2021 beginning cash and investments balance and disbursements were each overstated by \$81,184.
- The MVH Restricted fund 2021 beginning cash and investments balance was understated and receipts were overstated by \$81,184.
- The 2022 receipts and the ending cash and investments balance for the Harvest Playground fund were understated by \$85,546.
- Numerous other immaterial errors were included in the financial statements.

Adjustments were proposed, accepted by the Town, and made to the financial statements and to the Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Required Supplementary Information in the Financial Statements Audit Report for the Town.

*Capital Assets*

The capital assets information entered into Gateway could not be verified due to a lack of supporting documentation for amounts reported for the years ended December 31, 2018, 2019, 2020, 2021, and 2022.

The Town has determined the Schedule of Capital Assets will not be presented as Other Information in the Financial Statements Audit Report for the Town.

CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER  
AUDIT RESULTS AND COMMENTS  
(Continued)

*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](#)."

**INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

The same comment appeared in the immediately prior Report B51877.

*Condition and Context*

The Town had not designed or implemented a system of internal controls, which would include segregation of duties, that would likely be effective in preventing, or detecting and correct, errors related to the following significant audit areas:

*Financial Close and Reporting*

The Clerk-Treasurer prepared, entered, and submitted financial information for the Annual Financial Report into the Indiana Gateway for Government Units financial reporting system, which was the source of the Town's financial statements. An oversight or review process had not been designed or implemented at the Town that would likely prevent, or detect and correct, errors on the financial statements. Due to the lack of internal controls the errors in the financial statements occurred and remained uncorrected as reported in the *Annual Financial Report* comment.

*Criteria*

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.

An integral part of the control activity component is segregation of duties. . . .

CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER  
AUDIT RESULTS AND COMMENTS  
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

## **ANNUAL ENGAGEMENT UPLOADS**

### *Condition and Context*

The Town had not uploaded all required annual engagement uploads for 2020, 2021, and 2022 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1.

### *Criteria*

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15<sup>th</sup> of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. . . . Thereafter, annual files must be uploaded no later than March 1<sup>st</sup> . . . for the prior year end unless the SBOA establishes a different date. (Amended State Examiner Directive 2018-1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

State Examiner Directive 2018-1, as amended, requires the following files and governmental unit information to be uploaded annually by March 1, 2021:

- Year-end Investment Statements
- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule) and Amendments
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund . . .
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

(The Cities and Towns Bulletin and Uniform Compliance Guidelines, December 2020)

## **CAPITAL ASSETS**

### *Condition and Context*

The Town had not maintained a current ledger of capital assets. The Town had not taken inventory of its capital assets at least every two years.

CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Criteria*

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)

CLERK-TREASURER  
TOWN OF WEST COLLEGE CORNER  
EXIT CONFERENCE

The contents of this report were discussed on December 21, 2023, with Judith Burke Starr, Clerk-Treasurer; Carol Kirkpatrick, Vice President of the Town Council; and Juanita Fenwick, Town Council member.