

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

COMPLIANCE ENGAGEMENT REPORT

OF

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY

TIPPECANOE COUNTY, INDIANA

January 1, 2020 to December 31, 2022



**FILED**

09/27/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Peter Gray	01-01-20 to 12-31-24
President of the Authority Board	Jon Speaker	01-01-20 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF WEST LAFAYETTE REDEVELOPMENT  
AUTHORITY, TIPPECANOE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the City of West Lafayette Redevelopment Authority (Authority), for the period of January 1, 2020 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Authority as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Authority's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Peter Gray, Fiscal Officer and City Controller, and Nicole Stocks, Deputy City Controller, on September 24, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

September 24, 2024

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY  
COMMENTS

**ANNUAL MEETING - ELECTION OF OFFICERS**

*Condition and Context*

Internal controls were not in place to ensure that the Authority complied with laws regarding meeting requirements. The Authority did not meet at the beginning of each year to elect officers.

*Criteria*

Indiana Code 36-7-14.5-9(a) states in part:

"Each year, the board shall hold an organizational meeting on a day that is not a Saturday, a Sunday, or a legal holiday and that is their first meeting day of the year. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. . . ."

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. . . .

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. . . ."

**ADOPTION OF INTERNAL CONTROL STANDARDS**

*Condition and Context*

Internal controls were not in place to ensure that the Authority complied with laws regarding internal controls. The Authority had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

*Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY  
COMMENTS  
(Continued)

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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](#)."

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:

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

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. . . ."

## **CERTIFICATION ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

Internal controls were not in place to ensure that the Authority complied with laws regarding internal controls. The Authority's certification on internal control standards was not made correctly for each year of the engagement period on the Indiana Gateway for Government Units financial reporting system. The certification asserts that the Authority adopted internal control standards; however, the Authority had not adopted internal control standards.

### *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](#)."

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY  
COMMENTS  
(Continued)

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## **SUPPORTING DOCUMENTATION**

### *Condition and Context*

Internal controls were not in place to ensure that the Authority complied with disbursement requirements. Supporting documentation was not provided for 1 of the 18 disbursements tested. This payment was for construction costs that totaled \$2,454,514.

### *Criteria*

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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:

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
Redevelop Authority 2010 Bonds	\$ 638,662	\$ 591,300	\$ 585,894	\$ 644,068	\$ 590,087	\$ 583,300	\$ 650,855
Redevelop Authority 16 Bond - Sinking	694,306	317,686	310,469	701,523	314,184	310,469	705,238
Wellness Center - Bonds	29,171,566	113,186	18,728,042	10,556,710	1,207,848	11,723,463	41,095
City Hall Renovation - Bonds	<u>12,012,501</u>	<u>45,058</u>	<u>11,172,204</u>	<u>885,355</u>	<u>871,513</u>	<u>1,747,465</u>	<u>9,403</u>
Totals	<u>\$ 42,517,035</u>	<u>\$ 1,067,230</u>	<u>\$ 30,796,609</u>	<u>\$ 12,787,656</u>	<u>\$ 2,983,632</u>	<u>\$ 14,364,697</u>	<u>\$ 1,406,591</u>

CITY OF WEST LAFAYETTE REDEVELOPMENT AUTHORITY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2022

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22
Redevelop Authority 2010 Bonds	\$ 650,855	\$ 296,022	\$ 946,865	\$ 12
Redevelop Authority 16 Bond - Sinking	705,239	502,661	490,469	717,431
Wellness Center - Bonds	41,094	2,417,507	2,413,325	45,276
City Hall Renovation - Bonds	<u>9,403</u>	<u>1,302,003</u>	<u>862,050</u>	<u>449,356</u>
Totals	<u>\$ 1,406,591</u>	<u>\$ 4,518,193</u>	<u>\$ 4,712,709</u>	<u>\$ 1,212,075</u>