

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF WILLIAMS CREEK

MARION COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**  
08/22/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robert L. Parrin	01-01-20 to 12-31-24
President of the Town Council	Craig Skelton	01-01-20 to 12-31-20
	Maureen Burger	01-01-21 to 12-31-21
	R. Matthew Neff	01-01-22 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WILLIAMS CREEK, MARION COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Williams Creek (Town) for the period of January 1, 2020 to December 31, 2023. 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 Town 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 Town'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 Robert L. Parrin, Clerk-Treasurer, and R. Matthew Neff, President of the Town Council, on August 7, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

May 13, 2024

TOWN OF WILLIAMS CREEK  
COMMENTS

**MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND**

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer and Town Council of the Town for the review period ending December 31, 2019, entitled *MVH RESTRICTED FUND*.

*Condition and Context*

During the audit period, the Town created a sub-fund of the Motor Vehicle Fund, but due to a lack of internal controls, did not separately report the MVH Restricted Fund as directed by the State Examiner.

*Criteria*

The purpose of this Directive is to authorize and require counties, cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018.

The sub-fund will be referred to throughout this Directive as "MVH Restricted" and will be used to account for MVH monies which have been statutorily restricted for construction, reconstruction, and preservation purposes. . . .

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted.

(State Examiner Directive 2018-2)

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. . . ."

TOWN OF WILLIAMS CREEK  
COMMENTS  
(Continued)

**ACCOUNTING OF FEDERAL FUNDS**

*Condition and Context*

Due to a lack of internal controls, the Town did not properly account for the Coronavirus Relief Fund (CRF) in accordance with State Examiner Directive 2020-3 (Directive).

The Town receipted the Indiana Finance Authority (IFA) distributions for the federal grant into the General fund, rather than accounting for federal money in a separate fund as required by the grant. The total amount received was \$96,770.

*Criteria*

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

**Option One.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

**Option Two.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020.**

(State Examiner Directive 2020-3)

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:

TOWN OF WILLIAMS CREEK  
COMMENTS  
(Continued)

"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.

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

TOWN OF WILLIAMS CREEK  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-20	Receipts	Disbursements	12-31-20	Receipts	Disbursements	
General	\$ 46,728	\$ 161,767	\$ 135,664	\$ 72,831	\$ 194,600	\$ 154,515	\$ 112,916
Motor Vehicle And Highway	-	15,429	15,429	-	21,561	21,561	-
Local Roads And Streets	-	12,644	12,644	-	13,633	13,633	-
Rainy Day Fund	90,398	14,278	-	104,676	22,383	-	127,059
Town Renovation Fund	23,801	-	2,765	21,036	-	5,155	15,881
Security Camera System	77,419	-	16,982	60,437	-	13,514	46,923
Payroll	-	91,736	91,736	-	89,101	89,101	-
Totals	<u>\$ 238,346</u>	<u>\$ 295,854</u>	<u>\$ 275,220</u>	<u>\$ 258,980</u>	<u>\$ 341,278</u>	<u>\$ 297,479</u>	<u>\$ 302,779</u>

TOWN OF WILLIAMS CREEK  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-22	Receipts	Disbursements	12-31-22	Receipts	Disbursements	
General	\$ 112,916	\$ 274,921	\$ 246,854	\$ 140,983	\$ 170,420	\$ 269,997	\$ 41,406
Motor Vehicle And Highway	-	116,320	116,320	-	24,482	24,482	-
Local Roads And Streets	-	13,948	13,948	-	14,276	14,114	162
Rainy Day Fund	127,059	22,629	-	149,688	25,145	-	174,833
Town Renovation Fund	15,881	-	-	15,881	-	2,851	13,030
Security Camera System	46,923	-	11,019	35,904	-	12,969	22,935
Payroll	-	92,491	92,491	-	111,753	111,753	-
Totals	<u>\$ 302,779</u>	<u>\$ 520,309</u>	<u>\$ 480,632</u>	<u>\$ 342,456</u>	<u>\$ 346,076</u>	<u>\$ 436,166</u>	<u>\$ 252,366</u>