

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

**Paul D. Joyce, CPA
State Examiner**

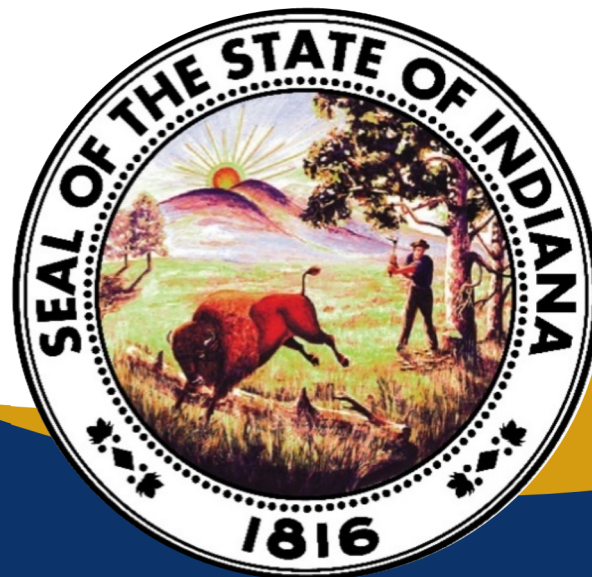
COMPLIANCE EXAMINATION REPORT

OF

TOWN OF WALKERTON

ST. JOSEPH COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
12/05/2024



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 5, 2024

To: The Officials of the Town of Walkerton
Town of Walkerton
St. Joseph County, Indiana

This report is supplemental to the audit report of Town of Walkerton (Town), for the period from January 1, 2022 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the Town. It should be read in conjunction with the financial statement audit report of the Town, which provides an 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 engaged private examiners under our review to perform the audit of the Town and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of Town of Walkerton prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

TOWN OF WALKERTON

St. Joseph County, Indiana
January 1, 2022 to December 31, 2023

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TOWN OF WALKERTON
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri Buckmaster	01-01-22 to 12-31-23
President of the Town Council	Gene Reese	01-01-22 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Town of Walkerton

We have examined the Town of Walkerton's ("Town") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns* during the period January 1, 2022 to December 31, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns* applicable to the Town during the period January 1, 2022 to December 31, 2023, as described in items 2023-001 and 2023-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Town complied, in all material respects, with the aforementioned requirements during the period January 1, 2022 to December 31, 2023.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
November 7, 2024

TOWN OF WALKERTON
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2022 through December 31, 2023

FINDING 2023-001: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Criteria: Indiana Code 5-11-1-4(a) states, *"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."*

Condition: During testing of the SEFAs, we noted the Town improperly exclude the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) amounts from the 2022 and 2023 SEFAs. The CSLFRF amount was \$1,155 and \$165,321 for the years ended December 31, 2022 and 2023 respectively.

Additionally, the Town improperly excluded the \$59,993 of the Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii funding from the 2022 SEFA.

FINDING 2023-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION

Criteria: Indiana Code 5-11-1-4(a) states, *"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."*

Condition: Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

Capital Assets

The Town reported \$49,027,174 in capital assets which did not agree to the underlying capital asset ledger amount of \$48,838,303.

Schedule of Leases and Debt

The Town reported \$1,010,000 in outstanding principal loan balance for the Ad Valorem Property Tax Lease Rental Bonds Series 2013 which did not agree to the underlying loan amortization schedule amount of \$965,000.

Schedule of Payables and Receivables

The Town reported \$86,657 in accounts payables which did not agree to the payables schedule amount of \$131,344.

TOWN OF WALKERTON
EXIT CONFERENCE
January 1, 2022 to December 31, 2023

The contents of this report were discussed on November 7, 2024 with Terri Buckmaster, Clerk Treasurer, and Gene Reese, Town Council President.