

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF WEST LAFAYETTE

TIPPECANOE COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
09/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Peter Gray	01-01-23 to 12-31-24
Mayor	John Dennis Erin Easter	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the Board of Public Works and Safety	Sana G. Booker	01-01-23 to 12-31-24
President of the Common Council	Peter Bunder Larry Leverenz	01-01-23 to 01-03-24 01-04-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to the audit report of the City of West Lafayette (City), for the period from January 1, 2023 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. 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 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

September 24, 2024

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CITY CONTROLLER
CITY OF WEST LAFAYETTE

CITY CONTROLLER
CITY OF WEST LAFAYETTE
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

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, which was the source of the City's financial statement.

The City had not established effective internal controls over the preparation of the AFR entered in Gateway. The AFR was reviewed prior to submission; however, the review did not prevent, or detect and correct, all errors. There were disbursements in various Wastewater Debt funds that were not posted, resulting in an understatement of disbursements and an overstatement of the ending cash and investments balances.

- WW 17 Refund Bond & Interest \$675,000
- WW 2016 Bond-Bond & Interest \$645,000
- WW 14 Refund Bond & Interest \$1,815,000
- WW SRF Bond & Interest \$370,000
- WW 2014 Bond-Bond & Interest \$235,000

Adjustments were proposed, accepted by the City, and made to the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the City.

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 as set forth in the uniform compliance guidelines. 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](#)."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

The City performed monthly bank account reconciliations; however, for the December 31, 2023 reconciliation, the adjusted bank account balance exceeded the financial statement balance by \$2,761,189.

Additionally, four months of bank reconciliations were selected for review. Three of those months' reconciliations were not completed timely. These three months were completed between 65 and 119 days after the end of the month.

CITY CONTROLLER
CITY OF WEST LAFAYETTE
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

COLLECTION OF AMOUNTS DUE

Condition and Context

Of the 25 utility bills tested, 5 were final bills that were written off for closed account nonpayment. These accounts should not have been written off.

Criteria

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

ORDINANCES AND RESOLUTIONS

Condition and Context

The City did not comply with its ordinances, resolution, and policy it adopted on charging customers late fees. In 2023, the City did not charge late fees on wastewater; the City decided not to charge late fees in 2023 as a courtesy to its customers for late billing. Of the 25 bills sampled, 4 had a previous balance with no late fees charged to them.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual Cities and Towns, Chapter 1)

CITY CONTROLLER
CITY OF WEST LAFAYETTE
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2024, with Peter Gray, City Controller; Erin Easter, Mayor; Larry Leverenz, President of the Common Council; and Nicole Stocks, Deputy City Controller.