

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WEST LEBANON

WARREN COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**

03/11/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Dana Craft	01-01-08 to 12-31-15
President of the Town Council	Michael J. Jackson Terry Foust	01-01-11 to 12-31-11 01-01-12 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WEST LEBANON, WARREN COUNTY, INDIANA

This report is supplemental to our examination report of the Town of West Lebanon (Town), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. 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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 18, 2015

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TOWN COUNCIL  
TOWN OF WEST LEBANON

TOWN COUNCIL  
TOWN OF WEST LEBANON  
EXAMINATION RESULTS AND COMMENTS

**CONTRACTS**

The Town did not have a licensed water or sewer operator on staff. The Town paid other licensed operators to review reports and file the reports for the Town. The Town Council did not have a signed contract with these individuals. The following amounts were paid:

Utility	Payments made without a contract:			
	2011	2012	2013	2014
Water	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Wastewater	3,000	-	-	-
Totals	\$ 9,000	\$ 6,000	\$ 6,000	\$ 6,000

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS**

The Water and Wastewater Utilities did not have a policy establishing procedures for the write-off of uncollectible accounts.

Similar comments were stated in prior Reports.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL  
TOWN OF WEST LEBANON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***GARBAGE RATE ORDINANCE***

The Town Council did not adopt a new garbage rate ordinance for the rate increase from \$9.50 to \$11.50 that was effective January 1, 2012.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***INTERNAL CONTROLS***

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities of the Town were insufficient. The Council did not approve the payroll disbursements for the Town.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL  
TOWN OF WEST LEBANON  
EXIT CONFERENCE

The contents of this report were discussed on November 18, 2015, with Dana Craft, Clerk-Treasurer, and Terry Foust, President of the Town Council.