

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

COMPLIANCE REPORT

OF

TOWN OF WYNNEDALE

MARION COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
05/24/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jarnell Burks-Craig	01-01-12 to 12-31-19
President of the Town Council	Judith Hall Vimal Mehta	01-01-12 to 12-31-15 01-01-16 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WYNNEDALE, MARION COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Town of Wynnedale (Town), for the period January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Results and Comments contained herein describe the identified reportable instances of non-compliance 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 Results and Comments, incorporated within this report, was not verified for accuracy.

The Annual Financial Reports filed by the Town can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

March 15, 2017

TOWN OF WYNNEDALE  
RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORTS**

The Annual Financial Reports (AFR) filed for 2012, 2013, 2014, and 2015 contained a number of errors and did not match the Town's records. These errors were later corrected and the AFRs were refiled.

Years	Fund	Category	Amount per Gateway	Amount Per Corrected Township Ledger	Difference
2012	General	Receipts	\$ 27,522	\$ 19,997	\$ 7,525
2012	General	Disbursements	23,329	15,142	8,187
2012	General	Ending Balance	47,971	48,633	(662)
2012	Motor Vehicle Highway	Disbursements	4,390	3,790	600
2012	Motor Vehicle Highway	Ending Balance	6,592	7,191	(600)
2013	General	Beginning Balance	47,971	48,633	(662)
2013	General	Receipts	24,744	20,878	3,866
2013	General	Disbursements	19,468	16,664	2,804
2013	General	Ending Balance	53,246	52,846	400
2013	Motor Vehicle Highway	Beginning Balance	6,592	7,191	(600)
2013	Motor Vehicle Highway	Receipts	7,127	7,131	(4)
2013	Motor Vehicle Highway	Disbursements	4,840	4,340	500
2013	Motor Vehicle Highway	Ending Balance	8,879	9,983	(1,104)
2014	General	Beginning Balance	53,246	52,846	400
2014	General	Receipts	42,709	20,712	21,997
2014	General	Disbursements	42,297	20,814	21,483
2014	General	Ending Balance	53,659	52,744	915
2014	Motor Vehicle Highway	Beginning Balance	8,879	9,883	(1,004)
2014	Motor Vehicle Highway	Ending Balance	9,652	10,756	(1,104)
2015	General	Beginning Balance	53,659	52,744	915
2015	General	Receipts	21,332	21,336	(4)
2015	General	Disbursements	17,754	19,768	(2,015)
2015	General	Ending Balance	57,237	54,312	2,925
2015	Motor Vehicle Highway	Beginning Balance	9,652	10,756	(1,104)
2015	Motor Vehicle Highway	Receipts	8,328	8,650	(322)
2015	Motor Vehicle Highway	Disbursements	3,780	4,155	(375)
2015	Motor Vehicle Highway	Ending Balance	14,200	15,251	(1,051)
2015	Local Road and Street	Receipts	3,980	3,658	322
2015	Local Road and Street	Ending Balance	15,113	14,791	322

The Town did not timely file an AFR for 2015. The 2015 AFR was filed on April 5, 2016, which was 35 days past the due date.

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."

TOWN OF WYNNEDALE  
RESULTS AND COMMENTS  
(Continued)

**BANK ACCOUNT RECONCILIATIONS**

Monthly depository reconciliations of the fund balances to the bank account balances were not presented for January 2012 through December 2015.

A similar comment appeared in prior Report B42360.

Additionally, there were several posting errors in the ledger. These included receipts, disbursements and balances that did not total correctly, interest not posted, and the inclusion of bank transfers.

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)

**OPTICAL IMAGES OF CHECKS**

The financial institution did not return the actual cancelled checks with the monthly bank statements for 2013, 2014, and 2015, but instead returned only an optical image of the front side of the checks. The backside or endorsement side of the checks was not returned.

Effective until June 30, 2015, Indiana Code 5-15-6-3 stated in part:

"(a) As used in this section, 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process described in subsection (e); and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment or the depositor receives an optical image of the deposit document after the document has been processed for the deposit. . . .

(d) No financial records or records relating thereto shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced as described in subsection (e). . . ."

TOWN OF WYNNEDALE  
RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-15-5.1-10(a) states in part:

"Each agency and local government shall:

- (1) Make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and local government to protect the legal and financial rights of the government and of persons directly affected by the agency's activities and the local government's activities.
- (2) Cooperate fully with the administration in implementing the provisions of this chapter.  
..."

**APPROPRIATIONS**

The records presented indicated the following disbursements in excess of budgeted appropriations:

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2014	Local Road and Street	\$ 2,200

A similar comment appeared in prior Report B42360.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**COMPENSATION**

The Town did not adopt an ordinance establishing the compensation of officers and employees for 2012, 2013, 2014, and 2015. Employees were paid without Social Security and Medicare taxes being withheld. Internal Revenue Service Form W-2 - Wage and Tax Statement was not issued for all employees.

A similar comment appeared in prior Report B42360.

Indiana Code 36-5-3-2(b) states: "The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN OF WYNNEDALE  
RESULTS AND COMMENTS  
(Continued)

***CERTIFIED REPORTS FILED AFTER DUE DATE***

The Town did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for the years 2012 and 2014. The 2012 report was filed on April 23, 2013, which was 82 days past the due date. The 2014 report was filed on February 10, 2015, which was 10 days past the due date.

Furthermore, the 2012 and 2015 Form 100-Rs were submitted without any compensation information. The 2014 Form 100-R did not include the Council members pay of \$100 each and stated the Clerk-Treasurer's total compensation was \$1,200, but the Clerk-Treasurer was actually paid \$1,300 in 2014.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

***NEPOTISM***

The Town did not have a Nepotism Policy for years 2012 or 2013.

Additionally, each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 by December 31, 2014 and 2015.

Indiana Code 36-1-20.2-9(a) states in part:

"This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. However, the policy may:

- (1) include requirements that are more stringent or detailed than any provision in this chapter; and
- (2) apply to individuals who are exempted or excluded from the application of this chapter. The unit may prohibit the employment of a relative that is not otherwise prohibited by this chapter. . . ."

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

TOWN OF WYNNEDALE  
RESULTS AND COMMENTS  
(Continued)

**CONTRACTING**

The Town did not have a Contracting Policy for years 2012 or 2013.

Additionally, each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 by December 31, 2014 and 2015.

Indiana Code 36-1-21-4(a) states in part:

"This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. However, the policy may:

- (1) include requirements that are more stringent or detailed than any provision in this chapter; and
- (2) apply to individuals who are exempted or excluded from the application of this chapter. The unit may prohibit or restrict an individual from entering into a contract with the unit that is not otherwise prohibited or restricted by this chapter. . . ."

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

TOWN OF WYNNEDALE  
EXIT CONFERENCE

The contents of this report were discussed on April 3, 2017, with Jarnell Burks-Craig, Clerk-Treasurer, and Vimal Mehta, President of the Town Council.