

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

COMPLIANCE REPORT  
OF  
TOWN OF ONWARD  
CASS COUNTY, INDIANA  
January 1, 2014 to December 31, 2017



**FILED**  
10/04/2018



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Other Information - Unaudited:	
Schedule of Cash and Investment Balances - Regulatory Basis .....	6
Clerk-Treasurer:	
Results and Comments:	
Certification on Internal Control Standards .....	8
Annual Financial Report - Beginning and Ending Balances .....	8-9
Federal and State Agencies - Compliance Requirements .....	9
Exit Conference .....	10
Town Council:	
Results and Comments:	
Adoption of Internal Control Standards .....	12
Training on Internal Control Standards .....	12
Exit Conference .....	13

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cherenae Mullens Rozanna Turnpaugh	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Town Council	Curtis Mullens Chris Donovan	01-01-14 to 12-31-15 01-01-16 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE TOWN OF ONWARD, CASS 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 Onward (Town), Cass County, for the period of January 1, 2014 to December 31, 2017, 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.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

August 23, 2018

(This page intentionally left blank.)

#### OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Town's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

TOWN OF ONWARD  
 SCHEDULE OF CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

Fund	Cash and Investments 12-31-17
General	\$ 23,074
Motor Vehicle Highway	9,270
Local Roads And Streets	1,103
Rainy Day Fund	2,231
Cumulative Capital Improvement	4,228
Nonreverting Park	<u>7,329</u>
 Total	 <u>\$ 47,235</u>

CLERK-TREASURER  
TOWN OF ONWARD

CLERK-TREASURER  
TOWN OF ONWARD  
RESULTS AND COMMENTS

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The Clerk-Treasurer certified with the Annual Financial Report (AFR) on Gateway that the Town had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e), and that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Town; however, during the engagement, the Clerk-Treasurer indicated that the Town had not adopted the minimum internal control standards and that all personnel had not received training concerning the internal control standards.

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](#)."

**ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES**

A similar comment also appeared in prior Report B44799, entitled *CONDITION OF RECORDS*.

The AFR for 2014 and 2017 contained the following funds with beginning balances that were different from the prior period ending balances, as noted.

Fund	2014	2017
General	\$ 512	\$ -
Motor Vehicle Highway	(4,798)	(6,437)
Local Roads And Streets	632	-
Cumulative Capital Improvement	(393)	(2,238)
Nonreverting Park	202	-

CLERK-TREASURER  
TOWN OF ONWARD  
RESULTS AND COMMENTS  
(Continued)

Adjustments were made by management to the AFR during the engagement.

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](#)."

**FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS**

A similar comment also appeared in prior Report B44799, entitled *STATE AND FEDERAL TAXES*.

The Clerk-Treasurer and Town Council members were paid without the Town withholding Social Security or Medicare taxes. Additionally, Internal Revenue Service Forms 1099-MISC were not provided to vendors that provided services to the Town during the engagement period.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF ONWARD  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2018, with Rozanna Turnpaugh, Clerk-Treasurer.

TOWN COUNCIL  
TOWN OF ONWARD

TOWN COUNCIL  
TOWN OF ONWARD  
RESULTS AND COMMENTS

***ADOPTION OF INTERNAL CONTROL STANDARDS***

The Town had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; . . ."

***TRAINING ON INTERNAL CONTROL STANDARDS***

Town employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Town, had not received training over internal control standards that were developed or approved by the Indiana State Board of Accounts.

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL  
TOWN OF ONWARD  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2018, with Chris Donovan, President of the Town Council.