

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

VIGO COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/31/2020



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                       | <u>Term</u>                                  |
|---|---------------------------------------|--|
| County Auditor                                    | James W. Bramble                      | 01-01-19 to 12-31-20                         |
| County Treasurer                                  | Nancy S. Allsup                       | 01-01-19 to 12-31-20                         |
| Clerk of the Circuit Court                        | Bradley M. Newman                     | 01-01-19 to 12-31-20                         |
| County Sheriff                                    | John A. Plasse                        | 01-01-19 to 12-31-20                         |
| County Recorder                                   | Stacey J. Todd                        | 01-01-19 to 12-31-20                         |
| President of the Board of<br>County Commissioners | Brad A. Anderson                      | 01-01-19 to 12-31-20                         |
| President of the<br>County Council                | Aaron D. Loudermilk<br>Michael Morris | 01-01-19 to 12-31-19<br>01-01-20 to 12-31-20 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VIGO COUNTY, INDIANA

This report is supplemental to our audit report of Vigo County (County), for the period from January 1, 2019 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County'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 Audit Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 22, 2020

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COUNTY AUDITOR  
VIGO COUNTY

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULT AND COMMENT

**FINANCIAL TRANSACTIONS AND REPORTING**

*Condition and Context*

The County had not established effective internal controls related to financial reporting and discretely presented component units.

*Financial Reporting*

There were no effective internal controls to ensure timely, complete, and accurate financial reports. The financial statements and notes to financial statements contained multiple material misstatements: one major governmental fund was misclassified as a nonmajor governmental fund, and one discretely presented component was not a component of the County.

Adjustments were proposed, approved by the County, and made to the financial statement.

*Discretely Presented Component Units*

There was no evidence that the County had an internal control in place to ensure the balances of its discretely presented component units were accurately reported in the financial statements. The capital assets of the discretely presented component units were shown at full value and not net of accumulated depreciation as required by accounting principles generally accepted in the United States. This caused assets to be overstated by \$5,814,540.

Adjustments were proposed, but not made, resulting in an opinion modification.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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](#)."



Vigo County Auditor  
VIGO COUNTY ANNEX  
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James W. Bramble, CPA, Auditor  
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OFFICIAL RESPONSE

December 30, 2020

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: Financial Reporting and Discretely Presented Component Units

The major governmental fund misclassified as nonmajor will be properly classified as a major fund in future financial statements of the County. The unit included as a component unit that was found not to be a component unit will not be presented in future financial statements of the County.

Information needed to properly state capital assets of component units will be requested from the respective units prior to submission of the County's financial statements. In regard to the discretely presented component units, the County does not have the authority to compel the component units to provide the needed information. The County can only request that it be provided.

James W. Bramble  
Auditor

COUNTY AUDITOR  
VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2020, with Brendan Kearns, County Commissioner; Cheryl Loudermilk, Chief Deputy Auditor; James W. Bramble, County Auditor; Brad A. Anderson, President of the Board of County Commissioners; Michael Morris, President of the County Council; Lisa Spence-Bunnett, County Council member; and Michael Wright, County Attorney.