

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ATLANTA

HAMILTON COUNTY, INDIANA

January 1, 2017 to December 31, 2020



**FILED**

01/19/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robyn Cook Jennifer Farley	01-01-17 to 12-31-19 01-01-20 to 12-31-22
President of the Town Council	Fred Farley John Benge Murry Dixon	01-01-17 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-21
Superintendent of Utilities	Steven A. Emmert	01-01-17 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ATLANTA, HAMILTON COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Atlanta (Town), for the period from January 1, 2017 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Audit Report of the Town, which provides our opinions 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 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.

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

January 13, 2022

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CLERK-TREASURER  
TOWN OF ATLANTA

CLERK-TREASURER  
TOWN OF ATLANTA  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

There were deficiencies in the internal control system of the Town related to financial close and reporting. The Town had not established internal controls over the financial information entered in the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Reports (AFR). The AFRs were used to compile the financial statements presented in this report. The Town did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the AFRs. The Clerk-Treasurer submitted the AFRs; however, there was no evidence of an oversight, review, or approval process.

*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. . . ."

**FINANCIAL TRANSACTIONS AND REPORTING**

A similar comment also appeared in prior Report B48962, entitled *TRANSACTION RECORDING*.

*Condition and Context*

Due to the lack of internal controls, the financial statement presented for audit included the following errors:

1. The SRF Wastewater receipts were understated by \$3,629 for 2017.
2. The beginning cash and investments balance for SRF Water was overstated by \$62,840 for 2017.

CLERK-TREASURER  
TOWN OF ATLANTA  
AUDIT RESULTS AND COMMENTS  
(Continued)

3. The SRF Water Forgivable Loan receipts were overstated by \$494,638 for 2017.
4. The SRF Water receipts were understated by \$63,001 and disbursements were understated by \$101 for 2017.
5. The SRF Wastewater receipts were overstated by \$1,976 for 2018.
6. The SRF Water Forgivable Loan receipts were understated by \$493,533 for 2018.
7. The SRF Water receipts were understated by \$81 for 2018.
8. The beginning cash and investments balance for SRF Water was understated by \$141 for 2019.
9. The beginning cash and investments balance for SRF Wastewater was understated by \$1,653 for 2019.
10. The beginning cash and investments balance for SRF Water 2017 Forgivable was overstated by \$835 for 2019.
11. The SRF Wastewater receipts were overstated by \$1,589 in 2019.
12. The SRF Water receipts were overstated by \$31 in 2019.
13. The SRF Water Forgivable receipts and disbursements were both understated by \$835 for 2019.
14. The SRF Wastewater receipts were overstated by \$64 in 2020.
15. The SRF Water receipts were overstated by \$110 in 2020.

Audit adjustments were proposed, accepted by the Town, and made to the financial statements presented in this report.

*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 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](#)."

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF ATLANTA  
AUDIT RESULTS AND COMMENTS  
(Continued)

**ORDINANCES AND RESOLUTIONS**

*Condition and Context*

According to the Town Shutoff Policy, the penalty for delinquent water payments should be 10 percent; however, after reviewing 25 customer accounts, the Town did not correctly charge 8 of the water customers the penalty for delinquent payment.

*Criteria*

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

CLERK-TREASURER  
TOWN OF ATLANTA  
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2022, with Jennifer Farley, Clerk-Treasurer, and Murry Dixon, President of the Town Council.