



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44511

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November 21, 2014

TO: THE OFFICIALS OF THE TOWN OF VERNON, JENNINGS 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 Vernon (Town), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Town's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Town.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Town can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Current Period Comments

- *Investment balances for the Gift fund and the Water Operating fund totaling \$13,091.11 were not maintained on the Town's Ledger of Receipts, Disbursements and Balances. However, the investments were reported with the Gateway Annual Financial Report balances. Also, saving accounts for the Riverboat fund, CEDIT fund, and Water Reserve fund totaling \$47,878.60 were not maintained on the Town's Ledger of Receipts, Disbursements and Balances. However, the saving account balances were reported with the Gateway Annual Financial Report balances.*
- *The Utility Clearing Account was not maintained on the Town's records or reported on the Gateway Annual Financial Report.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	General	\$ 12,476.67
2013	Motor Vehicle Highway	1,044.03

- *The Clerk-Treasurer did not obtain an individual Surety Bond for the period March 12, 2012 to June 8, 2014. An official bond was obtained and recorded by the Clerk-Treasurer for the period June 9, 2014 to June 9, 2015.*
- *The Town Council did not adopt an ordinance establishing the compensation of officers and employees.*
- *Three Town employees were paid without federal, state, and local taxes being withheld.*
- *W-2s were not issued for all employees.*
- *Several claims paid by the Town for 2010, 2011, 2012, and 2013 were not being certified by the person receiving the goods and services as required by Indiana Code 5-11-10-1.6.*
- *The Town elected officials did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013.*
- *The Town elected officials did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2013.*
- *The Town did not have a credit card policy approved by the Town Council.*
- *The Town officials did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011. The report was filed on February 21, 2012, which is 22 days past the due date.*
- *The Guarantee Deposit Register was not reconciled to the respective cash balances in the Water Utility Customer Deposit fund and the Wastewater Utility Customer Deposit fund for 2010 through 2013.*

This letter is intended for the information and use of the governing body and management of the Town. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on August 21, 2014, with Marietta Jean Rockey, Clerk-Treasurer, and Dan Wright, Mayor.

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