



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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August 4, 2023

TO: THE OFFICIALS OF THE TOWN OF PERRYSVILLE, VERMILLION 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 Perrysville (Town), Vermillion County, for the period of January 1, 2018 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 by management can be found on the Gateway Website: www.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.

Comments

ANNUAL FINANCIAL REPORT

Condition and Context

The Annual Financial Report (AFR) contained the following errors:

1. The 2022 AFR total beginning cash and investment balance was understated by \$48,234.
2. The 2022 AFR total receipts were understated by \$278,808.
3. The 2022 AFR total disbursements were understated by \$199,262.
4. The 2022 AFR total ending cash and investments balance was understated by \$127,780.
5. The Opioid Distribution Restricted and Opioid Distribution Unrestricted funds were not included in the 2022 AFR.

Corrections have been made to the Schedule of Cash and Investment Balances 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](#)."

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

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 was developed or approved by the Indiana State Board of Accounts.

Criteria

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

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

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Town certified on the Indiana Gateway for Government Units financial reporting system 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, documentation could not be provided that all personnel had received training concerning the internal control standards.

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](#)."

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The Town created the Motor Vehicle Highway (MVH) Restricted sub-fund within their MVH fund but did not show MVH and MVH Restricted separately on their Annual Financial Report. Disbursements from the MVH Restricted sub-fund were tested, and three disbursements, totaling \$2,530, were made for expenses that were not construction, reconstruction, or preservation of the Town's highways.

Criteria

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

...

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted

Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report and Annual Operational Report.

(State Examiner Directive 2018-2)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis 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.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
General	\$ 114,554
Motor Vehicle Highway	154,004
Local Road and Street	33,693
Economic Development	16,821
Law Enforcement Continuing Ed	6
Riverboat	17,011
Cumulative Fire	4,366
Public Safety	49,839
Cumulative Capital Improvement	16,549
Local Coronavirus Relief Fund	98,130
Opioid Distribution Restricted	1,426
Opioid Distribution Unrestricted	611
Water Utility-Operating	80,688
Water Utility-Improvements Fund	84,346
Water Utility-Customer Deposit	12,341
Water Utility-Debt Service	26,347
Water Utility-Debt Reserve	54,537
 Total	 \$ 765,269

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

The contents of this report were communicated to Misty Sandlin, Clerk-Treasurer, and Jeffery Shirley, Town Council member, on July 24, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner