

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF DANVILLE

HENDRICKS COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED
10/18/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jennifer Pearcy	01-01-18 to 12-31-23
President of the Town Council	Mike Neilson Tom Pado David Winters	01-01-18 to 12-31-19 01-01-20 to 12-31-21 01-01-22 to 12-31-23
Town Manager	Gary Eakin Mark Morgan	01-01-18 to 12-31-19 01-01-20 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF DANVILLE, HENDRICKS COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Danville (Town), for the period from January 1, 2018 to December 31, 2022. 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 the 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/.

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.

Beth Kelley, CPA, CFE
Deputy State Examiner

October 3, 2023

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CLERK-TREASURER
TOWN OF DANVILLE

CLERK-TREASURER
TOWN OF DANVILLE
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

Every unit must have a complete detailed listing of all capital assets owned which reflects their acquisition value. The Town had a detailed report of capital assets for 2018 and 2019; however, detailed reports for 2020, 2021, and 2022 were not provided. The Town could not produce a completed inventory listing of assets for any of the audit years. The Town only maintained records of additions and deletions of assets for each year.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Waterworks Revenue Bonds, Series 2022, was not reported as leases and debt in Gateway.

Adjustments were proposed, accepted by the Town, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statements Audit Report of the Town.

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](#)."

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

DISCLOSURE OF RELATED-PARTY TRANSACTION

Condition and Context

Numerous conflict of interest disclosures (disclosures) were completed and maintained within the Town's records during the audit period. None of the disclosures examined were sufficiently completed to meet the statutory requirements of a disclosure in compliance with Indiana Code 35-44.1-1-4 **Conflict of interest**. Additionally, we were unable to determine if any of the disclosures were properly accepted by the governing body as required by statute.

Criteria

Indiana Code 35-44.1-1-4(d) states in part:

"A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . ."

Conflict of interest disclosures must be completed on Gateway.

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF DANVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2023, with Jennifer Percy, Clerk-Treasurer; Mark Morgan, Town Manager; and David Winters, President of the Town Council.