

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

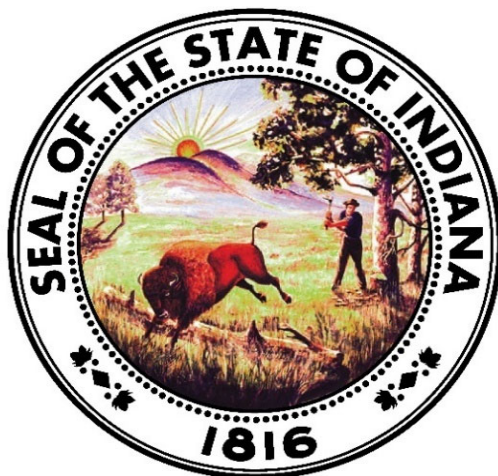
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF VERSAILLES

RIPLEY COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

04/15/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Audit Results and Comments:	
Penalties, Interest, and Other Charges.....	6
Internal Controls over Financial Transactions and Reporting.....	6-8
Annual Financial Report.....	8-9
Appropriations	10
Overdrawn Cash Balances	10-11
Capital Assets	11
Monthly and Annual Engagement Uploads.....	12
Motor Vehicle Highway (MVH) - Restricted Fund	12-13
CARES Act Fund	13-14
Fund Sources and Uses.....	15
Official Bond Coverage	15
Exit Conference	16
Town Council:	
Audit Results and Comments:	
Appropriations	18
Capital Assets	19
Exit Conference	20
Summary of Charges	21

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kiersten Libby Sarah Bauman	01-01-19 to 12-31-22 01-01-23 to 12-31-24
President of the Town Council	Steve Mathes Roxanne Meyer	01-01-19 to 12-31-19 01-01-20 to 12-31-24
Superintendent of Utilities	Kevin Hensley Randall Miller	01-01-19 to 08-08-21 08-09-21 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF VERSAILLES, RIPLEY COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Versailles (Town), for the period from January 1, 2019 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.

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE
Deputy State Examiner

April 1, 2024

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF VERSAILLES

CLERK-TREASURER
TOWN OF VERSAILLES
AUDIT RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

A similar comment appeared in prior Report B53898, entitled *PENALTIES, INTEREST, AND OTHER CHARGES*.

Condition and Context

The Town paid penalties, interest, and other charges in the amount of \$9,260.62, due to the untimely remittance of payroll taxes and payment of vendor claims.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

The former Clerk-Treasurer, Kiersten Libby, was requested to repay \$9,260.62 in Penalties, Interest, and Other Charges to the Town. (See Summary of Charges, page 21)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Report B53898, entitled *INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

There were deficiencies in the internal control system of the Town related to financial transactions and reporting. The Town had not separated incompatible activities related to cash and investments, receipts, and financial close and reporting. In addition, the Town had not properly designed or implemented internal controls pertaining to risk assessment, monitoring, and information and communication processes in those areas.

Cash and Investments

One individual was primarily responsible for completing the bank reconciliements. There was no internal control in place, such as an oversight, review, or approval process, to ensure that monthly reconciliements were properly completed.

Receipts

One individual was primarily responsible for collecting, posting, and depositing the Town's receipts. There was no documentation of an internal control in place, such as an oversight, review, or approval process, to ensure that receipts were properly recorded and deposited.

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

Financial Close and Reporting

One individual was primarily responsible for submitting the Annual Financial Report (AFR) in the Indiana Gateway for Government Units financial reporting system. The AFR was the source of the financial statements. There were no internal controls in place, such as an oversight, review, or approval process, to ensure the AFR was accurate.

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. . . ."

"Risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment is the process used to identify and assess internal and external risks to the achievement of objectives, and then establish risk tolerances. Each identified risk is evaluated in terms of its impact and likelihood of occurrence. Overall, risk assessment is the basis for determining how risk will be managed. . . .

Management identifies risks to the achievement of the political subdivision's objectives across the unit as a whole and within each office or department. Analysis of risk through determination of objective measures and variance tolerance is the basis for determining how the risks should be managed. The response to risk is selected: acceptance, avoidance, reduction, or sharing. . . .

Internal control is a process, and part of that process is the responsibility for management to be continually aware of changes, both external and internal, that could affect the achievement of the political subdivision's objectives. Those changes should be analyzed for both their immediate effect and for any future impact. Management would then determine any modifications needed in the internal control process to adapt to these changes."

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

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators."

"Relevant information from both internal and external sources is necessary to support the functioning of the other components of internal control. Communication is the continual process of providing, sharing, and obtaining necessary information. Internal communication enables personnel to receive a clear message that control responsibilities are taken seriously by the organization. External communication enables relevant outside information to be internalized and internal information to be clearly communicated to external parties."

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town had not established an effective system of internal controls over the information entered into Gateway, which resulted in the following errors:

Financial Data

- Cash and investment balances reported in the AFR for January 1, 2019, were understated by \$50,130.
- Receipts reported in the AFRs for the years 2019, 2020, 2021, and 2022 were understated by \$1,363,146, in total.
- Disbursements reported in the AFRs for the years 2019, 2020, 2021, and 2022 were understated by \$1,519,468, in total.
- Cash and investment balances reported in the AFR for December 31, 2022, were understated by \$49,025.

Adjustments were proposed, accepted by the Town, and made to the Financial Statements and Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Required Supplementary Information in the Financial Statements Audit Report of the Town.

Capital Assets

Capital asset information entered into Gateway could not be verified due to lack of supporting documentation for the amounts reported. The Town has chosen to omit the Schedule Capital Assets from the Financial Statements Audit Report of the Town.

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

Payables and Receivables

The Town did not report accounts payable or receivable information in Gateway for the years 2019 or 2020. Accounts receivable information was not reported for 2021, and the amount reported for accounts payable could not be verified due to lack of supporting documentation.

Debt

The Town did not report debt payments for the years 2019 or 2020, resulting in an overstated ending balance of \$135,884 as of December 31, 2020.

Grant Schedule

The Town did not report any federal grant receipts or expenditures in the AFR during the audit period. The Town received the following grant funding that was not reported:

- Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii program funding in the amount of \$351,291 in 2019, and \$178,709 in 2020.
- Coronavirus State and Local Fiscal Recovery Funds program funding in the amount of \$235,142 in 2021, and \$236,032 in 2022.
- Coronavirus Relief Fund funding in the amount of \$41,567 in 2020, and \$26,725 in 2021.

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](#)."

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. . . ."

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

APPROPRIATIONS

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer and Town Council for the audit period ending December 31, 2018.

Condition and Context

Disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	Year	Excess Amount Expended
LOCAL ROAD & STREET	2019	\$ 10,239
MOTOR VEHICLE HIGHWAY	2019	22,166
GENERAL FUND	2020	92,118
LOCAL ROAD & STREET	2020	23,450
GENERAL FUND	2021	187,520
MOTOR VEHICLE HIGHWAY	2021	77,971
GENERAL FUND	2022	38,399

Criteria

Indiana Code 36-5-4-2 states in part: "Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body . . ."

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN CASH BALANCES

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer and the Town Council for the audit period ending December 31, 2018.

Condition and Context

The financial statements presented for audit included the following funds with overdrawn cash balances:

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

Fund	Amount Overdrawn 12-31-19	Amount Overdrawn 12-31-20	Amount Overdrawn 12-31-21	Amount Overdrawn 12-31-22
MOTOR VEHICLE HIGHWAY	\$ -	\$ 18,679	\$ 34,314	\$ -
STATE RAINY DAY FUND	86,930	74,330	86,789	44,022
POLICE OTHER FUND	2,896	-	3,229	-
FEDERAL GRANTS OPERATING	-	24,647	24,647	-
STORMWATER FEES	1,320	-	-	-
RIVERBOAT POLICE	-	-	307	1
RIVERBOAT TRASH	-	-	9,207	-
PAYROLL-PERF	-	-	5,383	-
PAYROLL-VOL PERF	-	-	23	-
WATER BOND DEBT RESERVE	-	-	-	368,465

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CAPITAL ASSETS

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer for the audit period ending December 31, 2018.

Condition and Context

The following deficiencies were noted regarding capital asset records:

- A capital asset policy was not provided for audit.
- The Town's detailed listing of capital assets did not include land or infrastructure.
- The Town did not complete a physical inventory of all capital assets at least every two years.

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)

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

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

Condition and Context

The Town did not upload all required files to the Indiana Gateway for Government Units financial reporting system during the audit period. Some files were uploaded, but they were not uploaded until June 2023. The following required files were not uploaded:

- Monthly funds ledgers for 2019 and 2020.
- All annual uploads for 2019.
- Annual funds ledger for 2020.
- Salary ordinance, payroll history, and investment statement for 2020, 2021, and 2022.

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at:

<https://gateway.ifionline.org/userguides/engagementguide>. **It is pertinent that this user guide be used in conjunction with this Directive.** It provides critical information to you that will help guide you to uploading the correct documents. (Amended State Examiner Directive 2018-1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The Town did not properly establish an MVH Restricted sub-fund and allocate 50 percent of the distributions from the State Motor Vehicle Highway Account to the sub-fund. All monies received from the State Motor Vehicle Highway Account were posted to the Motor Vehicle Highway fund.

Criteria

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway 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."

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

The purpose of this Directive is to authorize and require counties, cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in the House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

Starting on January 1, 2019, the political subdivision must post at the time of the receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted.

(State Examiner Directive 2018-2)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CARES ACT FUND

Condition and Context

The Town did not properly account for the Coronavirus Relief Fund (CRF) in accordance with State Examiner Directive 2020-3 (Directive).

The Town did not properly establish a separate CARES grant fund for the CRF grant that followed the uniform chart of accounts. The Town utilized the General Fund and the Ripley Co Grant (EDIT) fund, for reimbursements totaling \$68,293 received from the Indiana Finance Authority (IFA) in 2020 and 2021.

The reimbursements should have been deposited into the separate CARES grant fund and the applicable framework and option followed as outlined in the Directive. Following the framework and option outlined in the Directive would have allowed for the proper accounting of the federal funds received from IFA.

Criteria

Each local unit of government that receives an allocation from the Coronavirus Relief Fund administered by IFA shall establish a separate CARES grant fund with a fund number consistent with memorandum *Accounting and Appropriation of COVID-19 Grants, April 29, 2020* (updated September 29, 2020).

All Reimbursements received from IFA shall be receipted into a separate CARES grant fund that is specific to IFA reimbursements. . . .

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options. . . .

Option One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

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

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020. . . .**

Transactions for other permitted costs reimbursed by IFA must be accounted for through one of the following prescribed frameworks.

Framework One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. Reimbursed disbursements originally incurred in another fund will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the fund cash balance and reappropriate the fund in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the original fund, it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once these steps are completed, the balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

Framework Two. If IFA has provided reimbursement based on unpaid invoices or purchase orders, then reimbursements received from IFA shall be receipted into the separate CARES grant fund. The expenditures to vendors will be made through the CARES grant fund and these expenditures must match the application made to IFA. If the actual invoice or invoices relating to a purchase order is less than the purchase order, then the difference in the money expended to the vendor and the amount received for the purchase order from IFA must be returned to IFA. The items on the invoice must match the items on the purchase order. All documentation must be maintained.

Once these steps are completed, the balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

(State Examiner Directive 2020-3)

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

FUND SOURCES AND USES

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer for the audit period ending December 31, 2018.

Condition and Context

The following errors were noted when reviewing the sources and uses of funds:

- Five state distributions totaling \$598,841 and one local tax distribution in the amount of \$13,360, were not posted to the proper fund in 2019.
- Seven state distributions totaling \$510,839 were not posted to the proper fund in 2020.
- Five state distributions totaling \$486,139 were not posted to the proper fund in 2021.
- Four state distributions totaling \$582,277, and one local tax distribution in the amount of \$11,858, were not posted to the proper fund in 2022.
- The errors noted above included American Rescue Plan Act of 2021 (ARPA) funds received by the Town in the amount of \$235,142 in August 2021, and \$236,032 in August 2022. The Town did not establish a separate fund to account for ARPA funds.
- The Water Bond Debt Reserve fund was used to pay for construction and other costs related to a water project totaling \$1,335,620 in 2021 and 2022.
- Four projects partially funded by state and federal grants were not accounted for in separate funds. They were accounted for in the State Rainy Day Fund, Tyson Fund, Sewage Utility Operating fund, and the Economic Dev Income Tax fund.

Criteria

Separate Fund Required. Assistance provided through the ARPA must be received into a separate fund. There are many funding provisions in this Act. A separate fund must be established for each separately identified assistance provided with ARPA in the naming title. (Amended State Examiner Directive 2021-1)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OFFICIAL BOND COVERAGE

The Town obtained Public Officials' Bonds for Kiersten Libby, former Clerk-Treasurer, as follows:

Surety Company	Term	Amount
The Ohio Casualty Insurance Company	January 8, 2019 to January 8, 2020	\$ 90,000
The Ohio Casualty Insurance Company	January 8, 2020 to January 8, 2021	90,000
The Ohio Casualty Insurance Company	January 8, 2021 to January 8, 2022	90,000
The Ohio Casualty Insurance Company	January 8, 2022 to January 8, 2023	90,000

CLERK-TREASURER
TOWN OF VERSAILLES
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2024, with Kiersten Libby, former Clerk-Treasurer.

The contents of this report were discussed on April 1, 2024, with Sarah Bauman, Clerk-Treasurer; Roxanne Meyer, President of the Town Council; and Mike Daugherty, Town Council member.

TOWN COUNCIL
TOWN OF VERSAILLES

TOWN COUNCIL
TOWN OF VERSAILLES
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer and Town Council for the audit period ending December 31, 2018.

Condition and Context

Disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	Year	Excess Amount Expended
LOCAL ROAD & STREET	2019	\$ 10,239
MOTOR VEHICLE HIGHWAY	2019	22,166
GENERAL FUND	2020	92,118
LOCAL ROAD & STREET	2020	23,450
GENERAL FUND	2021	187,520
MOTOR VEHICLE HIGHWAY	2021	77,971
GENERAL FUND	2022	38,399

Criteria

Indiana Code 36-5-4-2 states in part: "Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body . . ."

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TOWN COUNCIL
TOWN OF VERSAILLES
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer for the audit period ending December 31, 2018.

Condition and Context

The following deficiencies were noted regarding capital asset records:

- A capital asset policy was not provided for audit.
- The Town's detailed listing of capital assets did not include land or infrastructure.
- The Town did not complete a physical inventory of all capital assets at least every two years.

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)

TOWN COUNCIL
TOWN OF VERSAILLES
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2024, with Sarah Bauman, Clerk-Treasurer; Roxanne Meyer, President of the Town Council; and Mike Daugherty, Town Council member.

TOWN OF VERSAILLES
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Kiersten Libby, former Clerk-Treasurer:			
Penalties, Interest, and Other Charges, page 6	\$ 9,260.62	\$	\$
Payment April 1, 2024, Receipt #7916	<u> </u>	<u>9,260.62</u>	<u> </u> -
 Totals	 <u>\$ 9,260.62</u>	 <u>\$ 9,260.62</u>	 <u>\$ </u> -

This report was forwarded to the Office of the Indiana Attorney General.