

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF BARGERSVILLE

JOHNSON COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
12/16/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy Kehl R. Dustin Doyle	01-01-22 to 12-31-23 01-01-24 to 12-31-24
President of the Town Council	Andrew Greenwood Susan Qualls James Rumell II	01-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE TOWN OF BARGERSVILLE, JOHNSON COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Bargersville (Town), for the period from January 1, 2022 to December 31, 2023. 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 Statement 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

November 26, 2024



CLERK-TREASURER
TOWN OF BARGERSVILLE

CLERK-TREASURER
TOWN OF BARGERSVILLE
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - INVESTMENT FUND STATEMENT

Condition and Context

The Town did not have adequate internal controls in place over reporting to the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town did not upload an Investment Fund Statement into Gateway at the end of 2022 and 2023. The Town had Certificate of Deposits activity for both 2022 and 2023.

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 as set forth in the uniform compliance guidelines. 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. . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment appeared in prior Report B60116.

Condition and Context

The Town did not have adequate internal controls in place over the certification on the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town's certification on Gateway regarding training on internal controls standards was not made correctly. The Town's Gateway certification indicted those personnel had received the training on internal control standards; however, documentation was not provided for audit on any of the individuals selected for testing.

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

Criteria

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CAPITAL ASSETS

A similar comment also appeared in prior Reports B56427 and B60116, entitled *CAPITAL ASSETS*.

Condition and Context

The Town did not have adequate internal controls in place over capital assets. The Town provided a detailed listing of capital assets as of December 31, 2023. Differences between capital assets reported on the Indiana Gateway for Government Units financial reporting system and the Town's capital asset record are as presented in the following schedule:

	Reported on Gateway	Town's Record	Variance
Governmental Activities	\$ 57,279,167	\$ 55,962,737	\$ 1,316,430
Bargersville Municipal Water Utility	107,333,181	85,098,295	22,234,886
Bargersville Municipal Sewage Works	45,262,379	44,883,517	378,862
Bargersville Municipal Electric Utility	11,715,172	11,742,647	(27,475)
Bargersville Municipal Storm Water Utility	43,172,940	43,172,990	(50)

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

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 detailed 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)

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:

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BANK ACCOUNT RECONCILIATIONS

The same comment appeared in prior Report B60116.

Condition and Context

The Town did not have adequate internal controls in place over bank reconciliations. The Town reconciled each individual bank account monthly but did not complete an all-inclusive bank reconciliation for all accounts which reconciled to the general ledger fund balance. At December 31, 2022, the reconciled bank account balances had \$21,568 more than the ledger. At December 31, 2023, the reconciled bank account balances had \$107,609 less than the ledger.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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:

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

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DELINQUENT WASTEWATER ACCOUNTS

The same comment appeared in prior Report B60116.

Condition and Context

The Town did not have adequate internal controls in place over delinquent wastewater accounts. The Town did not file liens on delinquent wastewater accounts during the audit period.

Criteria

Indiana Code 36-9-23-33 states in part:

". . . (c) Except as provided in subsection (m), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

- (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

- (B) A description of the premises, as shown by the records of the county auditor.

- (C) The amount of the delinquent fees, together with the penalty.

- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.

(d) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(f) . . . Using the lists and instruments prepared under subsection (c) and recorded under subsection (d), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (d), certify to the county auditor a list of the unpaid liens for collection with the next May installment of property taxes. . . ."

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

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OVERDRAWN CASH BALANCES

Condition and Context

The Town did not have adequate internal controls in place over the cash and investment balances. The Town had overdrawn cash and investment balances on December 31, 2022 and 2023, as noted in the following schedule:

Fund	December 31, 2022, Amount Overdrawn	December 31, 2023, Amount Overdrawn
CUM CAP DEVELOPMENT (CCD)	\$ -	\$ 45,752
Local Road & Bridge Matching Grant Fund	312,603	493,585
Police Station CAP Fund	64,561	-
PD Building Debt Service	-	92,500
Regional Lift READI Grant	-	13,000
OCRA Storm Water	-	50,900
Emergency Grant Fund 23-02	-	1,078,474
Payroll Withholding	69,935	73,048

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)

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

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CLERK-TREASURER
TOWN OF BARGERSVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2024, with R. Dustin Doyle, Clerk-Treasurer; James Rumell II, President of the Town Council; and Laurie Campbell, Accounting Manager.

TOWN COUNCIL
TOWN OF BARGERSVILLE

TOWN COUNCIL
TOWN OF BARGERSVILLE
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

The same comment appeared in prior Report B60116.

Condition and Context

The Town Council did not have adequate internal controls in place over training on internal control standards. Of the five personnel selected for testing, there was not any documentation presented for audit that these individuals received training on internal controls standards.

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."

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