

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MONTPELIER

BLACKFORD COUNTY, INDIANA

January 1, 2013 to December 31, 2016



FILED

03/13/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Examination Results and Comments:	
Collections of Amounts Due.....	6
Overdrawn Cash Balances	6
Wastewater Utility Revenue Bond Ordinances	6
Official Response.....	7
Exit Conference	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kelli J. Schriver Margaret Willmann	01-01-12 to 12-31-15 01-01-16 to 12-31-19
Mayor	Kathy J. Bantz	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Thomas Mounsey	01-01-13 to 12-31-17
President Pro Tempore of the Common Council	J. Michael Lee	01-01-13 to 12-31-17
Superintendent of Utilities	Bruce M. Haisley	01-01-13 to 12-31-17



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 CITY OF MONTPELIER, BLACKFORD COUNTY, INDIANA

This report is supplemental to our examination report of the City of Montpelier (City), for the period from January 1, 2013 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements Examination Report of the City, which provides our opinion on the City'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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

January 24, 2018

(This page intentionally left blank.)

CLERK-TREASURER
CITY OF MONTPELIER

CLERK-TREASURER
CITY OF MONTPELIER
EXAMINATION RESULTS AND COMMENTS

COLLECTIONS OF AMOUNTS DUE

A similar comment also appeared in prior Reports B39842, B40536, and B42281, entitled *UTILITY RECEIPTS TAX*.

Overpayments to the Indiana Department of Revenue for Utility Receipts Tax for years prior to 2011 in the amount of \$5,593 had not been refunded.

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OVERDRAWN CASH BALANCES

A similar comment also appeared in prior Report B42281, entitled *OVERDRAWN CASH BALANCES*.

The cash balances of the following funds were overdrawn at December 31, 2016:

Fund	Amount Overdrawn 12-31-16
Sewer Separation	\$ (25,126)
Sewage Operating	(22,572)

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)

WASTEWATER UTILITY REVENUE BOND ORDINANCES

A similar comment also appeared in prior Reports B39842, B40536, and B42281, entitled *WASTEWATER UTILITY REVENUE BOND ORDINANCES*.

The City had ordinances related to the 1995 (Debt retired in 2015) and 2001 revenue bond issues that required the Operating Fund of the Wastewater Utility to maintain a balance sufficient to cover 2 months' operating expenses. However, throughout the examination period, the Wastewater Utility Operating Fund (Sewage Operating fund) was overdrawn as noted in the Examination Result and Comment, entitled *OVERDRAWN CASH BALANCES*.

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CITY OF MONTPELIER

300 West Huntington Street, Montpelier, IN 47359

January 26, 2018

State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, Indiana 46204-2765

RE: City of Montpelier
Audit Period 1/1/13 – 12/31/16

The City's response regarding the comments in this examination pertaining to the tax overpayments is as follows:

The former Clerk-Treasurer had been working to resolve these issues with the Department Of Revenue. The City will continuing to work for resolution on these issues by the next Audit cycle.

Respectfully,



Kelli Schriver
Former, Montpelier City Clerk Treasurer



Margaret Willmann
Montpelier City Clerk Treasurer

Office: 765-728-5642

Fax: 765-728-6505

Email: margaretw@montpeliercity.net

CLERK-TREASURER
CITY OF MONTPELIER
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2018, with Kelli J. Schriver, former Clerk-Treasurer; Margaret Willmann, Clerk-Treasurer; J. Michael Lee, President Pro Tempore of the Common Council; Kathy J. Bantz, Mayor; Jerry C. Downhour, Common Council member; and Thomas Mounsey, Common Council member.