

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, 2017 to December 31, 2018



FILED
04/07/2020

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|-------------------|----------------------|
| Clerk-Treasurer | Margaret Willmann | 01-01-16 to 12-31-23 |
| Mayor | Kathy Bantz | 01-01-16 to 12-31-23 |
| President of the Board of Public Works and Safety | Thomas Mounsey | 01-01-17 to 12-31-20 |
| President Pro Tempore of the Common Council | J. Michael Lee | 01-01-17 to 12-31-20 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF MONTPELIER, BLACKFORD COUNTY, INDIANA

This report is supplemental to our audit report of the City of Montpelier (City), for the period from January 1, 2017 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinion on the City's financial statement. 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.

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

March 12, 2020

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CLERK-TREASURER
CITY OF MONTPELIER

CLERK-TREASURER
CITY OF MONTPELIER
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

A similar comment also appeared in prior Report B49659, entitled *OVERDRAWN CASH BALANCES*.

Condition and Context

The financial statement presented for audit included the following funds with overdrawn cash balances at December 31, 2017, and December 31, 2018.

| Fund | Amount Overdrawn 12-31-17 | Amount Overdrawn 12-31-18 |
|-----------------------|------------------------------|------------------------------|
| Sewer Separation Fund | \$ 35,813 | \$ 41,448 |
| Sewage Operating Fund | - | 48,655 |

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)

WASTEWATER UTILITY REVENUE BOND ORDINANCE

A similar comment also appeared in prior Report B49659, entitled *WASTEWATER UTILITY REVENUE BOND ORDINANCE*.

Condition and Context

The City had an ordinance related to the 2001 revenue bond issues that required the Operating Fund of the Wastewater Utility to maintain a balance sufficient to cover two months' operating expenses. However, throughout the audit period, the Sewage Operating Fund (Wastewater Utility Operating Fund) was overdrawn as noted in the Audit Result and Comment, entitled *OVERDRAWN CASH BALANCES*.

Criteria

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)

CLERK-TREASURER
CITY OF MONTPELIER
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2020, with Margaret Willmann, Clerk-Treasurer; J. Michael Lee, President Pro Tempore of the Common Council; Tom Mounsey, Common Council member; and Kathy Bantz, Mayor.