

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF DELPHI

CARROLL COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED

12/20/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Leanne Aldrich	01-01-19 to 12-31-21
Mayor	Shane Evans Anita Werling	01-01-19 to 08-16-20 08-17-20 to 12-31-21
President of the Board of Public Works and Safety	Shane Evans Anita Werling	01-01-19 to 08-16-20 08-17-20 to 12-31-21
President Pro Tempore of the Common Council	Dale R. Seward Gayle Conner Spencer Kingery	01-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF DELPHI, CARROLL COUNTY, INDIANA

This report is supplemental to our audit report of the City of Delphi (City), for the period from January 1, 2019 to December 31, 2020. 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 opinions 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

December 14, 2021

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CLERK-TREASURER
CITY OF DELPHI

CLERK-TREASURER
CITY OF DELPHI
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

The City did not complete a physical inventory of capital assets every two years. The City had not taken a complete physical inventory since 2018.

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)

MOTOR VEHICLE HIGHWAY (MVH) RESTRICTED FUND

Condition and Context

The City had not created a Motor Vehicle Highway (MVH) Restricted sub-fund within the MVH fund, as of the year ended December 31, 2020. The City failed to comply with Indiana Code 8-14-1-4(b) and State Examiner Directive 2018-2. An MVH Restricted fund has been created for 2021.

Criteria

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)

CLERK-TREASURER
CITY OF DELPHI
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 8-14-1-4(b) states: "For funds distributed to a city from the motor vehicle highway account, the city shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's highways."

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 House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018.

The sub-fund will be referred to throughout this Directive as 'MVH Restricted' and will be used to account for MVH monies which have been statutorily restricted for construction, reconstruction, and preservation purposes.

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

...

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted

Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report and Annual Operational Report.

Starting on January 1, 2019, the political subdivision must post at the time of 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)

CLERK-TREASURER
CITY OF DELPHI
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2021, with Leanne Aldrich, Clerk-Treasurer; Anita Werling, Mayor; Spencer Kingery, President Pro Tempore of the Common Council; and Gayle Conner, Common Council member.