

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF VINCENNES

KNOX COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
09/14/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Catherine M. M. Lane	01-01-21 to 12-31-22
Mayor	Joe Yochum	01-01-21 to 12-31-22
President of the Board of Public Works and Safety	Joe Yochum	01-01-21 to 12-31-22
President Pro Tempore of the Common Council	Tim Salters	01-01-21 to 12-31-22
President of the Utility Service Board	Ryan Clark	01-01-21 to 12-31-22
Water Utility General Manager	L. Kirk Bouchie	01-01-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

This report is supplemental to our audit report of the City of Vincennes (City), for the period from January 1, 2021 to December 31, 2021. 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 24, 2022

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CLERK-TREASURER
CITY OF VINCENNES

CLERK-TREASURER
CITY OF VINCENNES
AUDIT RESULTS AND COMMENTS

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND DISBURSEMENTS

A similar comment also appeared in prior Report B57255, entitled *MOTOR VEHICLE HIGHWAY RESTRICTED EXPENDITURES*.

Condition and Context

Of the ten MVH Restricted fund disbursements selected for compliance testing, eight were for activities not related to construction, reconstruction, or preservation of the City's highways. The disbursements not in compliance included salt spreader assembly, snow blades, and various supplies for unspecified projects.

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."

OVERDRAWN CASH BALANCES

Condition and Context

The financial statement presented for audit included the following funds with an overdrawn cash balance at December 31, 2021:

Fund	Amount Overdrawn
Pay-State Withholding	\$ 10
Pay-Dental Health	20
Pay-One America Life Insurance	28
Community Crossings Grant	215,399

In addition, the Co Econ Dev Income Tax (Cedit) fund (which is actually Local Income Tax revenue) made a transfer in the amount of \$945,123 to the General Fund on December 31, 2021, without statutory authority. The County then used this money to transfer \$195,490 to the Motor Vehicle Highway fund, \$115,233 to the Park & Recreation fund, \$113,970 to the Fire Department fund, and \$14,956 to the Rental Housing fund, on December 31, in order to eliminate overdrawn cash balances in those funds. The Park & Recreation fund had an overdrawn cash balance all 12 months of the audit period, the Fire Department fund and Rental Housing fund had an overdrawn cash balance 10 months of the audit period.

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)

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)

CLERK-TREASURER
CITY OF VINCENNES
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2022, with Catherine M. M. Lane, Clerk-Treasurer; Joe Yochum, Mayor; Dan Ravellette, Common Council member; and Bryce L. Anderson, Motor Vehicle Highway Superintendent.