



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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May 12, 2022

TO: THE OFFICIALS OF THE TOWN OF MERIDIAN HILLS, MARION COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Meridian Hills (Town), Marion County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

ANNUAL FINANCIAL REPORT

Condition and Context

The Annual Financial Report (AFR) information entered into the Indiana Gateway for Government Units financial reporting system was incorrect and did not agree with the Town's records.

The 2021 Town Beautification Fund receipts were overstated by \$193,600 due to the Town duplicating the receipts from another fund when entering the information into the AFR.

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 not later than sixty (60) days after the close of each fiscal year. 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](#)."

COMPENSATION AND BENEFITS

Condition and Context

The Town was unable to produce timecards or pay stubs for eight of ten paychecks selected for testing for hourly employees.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

CAPITAL ASSETS

Condition and Context

The Town had not adopted a capital assets policy for the engagement period.

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)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
As of December 31, 2021

Fund	Cash and Investments 12-31-21
General Fund	\$ 109,869
Motor Vehicle Highway	3,243
Local Road And Street	68,826
Law Enforcement Continuing Ed	4,729
Rainy Day	88,923
Town Beautification Fund	7,570
Motor Vehicle Highway (Restricted)	71,492
Local Road and Bridge Matching Grant Fund	37
Public Safety Local Income Tax	6,220
American Rescue Plan	193,600
Donations	25,183
Total	<u>\$ 579,692</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Jim Rush, Clerk-Treasurer; Walter Freihofer, President of the Town Council; Jim Higgins, Town Consultant; and Madalyn Clary, Town Attorney, on May 9, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner