

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FORTVILLE

HANCOCK COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED

03/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Melissa Glazier	01-01-18 to 12-31-23
President of the Town Council	Michael Frischkorn Fritz Fentz Tonya Davis	01-01-18 to 07-14-19 07-15-19 to 09-04-23 09-05-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF THE TOWN OF FORTVILLE, HANCOCK COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Fortville (Town), for the period from January 1, 2018 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town'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 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, 2023

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CLERK-TREASURER
TOWN OF FORTVILLE

CLERK-TREASURER
TOWN OF FORTVILLE
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY - RESTRICTED FUND

Condition and Context

The Town did not create the Motor Vehicle Highway (MVH) Restricted sub-fund as required by State Examiner Directive 2018-2. Therefore, the Town failed to allocate or deposit at least 50 percent of the distributions from the state MVH Account, at the time of the receipt, into an MVH Restricted sub-fund. Since the MVH Restricted sub-fund had not been created, we were not able to determine if the Town used at least 50 percent of expenditures for the purposes specified in Indiana Code 8-14-1-5(c).

The minimum amount of MVH distributions that should have been receipted to the MVH Restricted funds for years 2019 through 2022 were \$336,176.

Criteria

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.

The political subdivision, by ordinance or resolution, may elect to allocate more than fifty percent (50%) of the distributions to MVH Restricted. During the same fiscal year, the political subdivision may transfer, by ordinance or resolution, the amount allocated in excess of the 50% requirement from MVH Restricted to MVH. ***In no event can any transfers from MVH Restricted to MVH reduce the fiscal year distributions from the State Motor Vehicle Highway Account below the 50% requirement for MVH Restricted.*** (State Examiner Directive 2018-2)

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)



TOWN OF FORTVILLE

WWW.FORTVILLEINDIANA.ORG



714 East Broadway St.
Fortville, Indiana 46040

September 1, 2023

State Board of Accounts
302 West Washington Street, Rm E418
Indianapolis, IN 46204-2765

Town Council
Frederick Fentz
Tonya Davis
Elizabeth Wyatt
Becky Davis
Ryan Rummell

Clerk/Treasurer
Melissa Glazier

Town Manager
Joe Renner

In response to the Audit Results and comments from State Board of Accounts Audit:

Motor Vehicle Highway – Restricted Fund

We were aware the funds had to be spent 50/50 for Regular expenditures and rest for restricted uses as defined when passed into the House. We didn't split the account into different funds.

We have now created a sub fund for the MVH Restricted which is Fund 203. We will start this in January 2023 as requested by SBOA. We will allocate the funds 50/50.

Moving Traffic Violations

We determined we were no longer allowed to collect fines for moving violations in 2019. The Town stopped collecting them and it has not been an issue since.

Thanks,

Missy Glazier

Clerk-Treasurer

CLERK-TREASURER
TOWN OF FORTVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2023, with Melissa Glazier, Clerk-Treasurer; Joe Renner, Town Manager; Tonya Davis, Town Council member; Becky Davis, Town Council member; Ryan Rummell, Town Council member; Elizabeth D. Wyatt, Town Council member; Beth Marsh, Consultant; Pam Broschart, Deputy Clerk; and Kerri Rummell, Deputy Clerk.

TOWN COUNCIL
TOWN OF FORTVILLE

TOWN COUNCIL
TOWN OF FORTVILLE
AUDIT RESULT AND COMMENT

MOVING TRAFFIC VIOLATIONS

Condition and Context

The Town established an Ordinance Violations Bureau to collect fines via ordinance 2010-12A passed in January of 2011. The Town's Ordinance Violations Bureau was established under Indiana Code 33-36-2-1 and included language for collecting fines for both moving traffic violations and parking violations. However, moving traffic violations must be processed through a county, city, or town court as required by statute. During 2018, the Town collected \$64,651 in fines for moving traffic violations. During 2019, the Town collected \$19,609 in fines for moving traffic violations. The Town stopped collecting fines for moving traffic violations in 2019.

Criteria

Indiana Code 36-1-6-3(c) states: "An ordinance defining a moving traffic violation may not be enforced under IC 33-36 and must be enforced in accordance with [IC 34-28-5](#)."

The accounts of each public official and public office should reflect the proper treatment of fines collected for moving traffic violations as required by Indiana Code § 36-1-6-3(c), Indiana Code Ch.34-28-5, and this Directive. Failure to do so will result in a civil action against those public officials who are responsible for the improper enforcement and collection of fines for moving traffic violations as allowable by law. (State Examiner Directive 2015-1)



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