

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

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

COMPLIANCE EXAMINATION REPORT

OF

TOWN OF LYONS

GREENE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

03/26/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 26, 2025

To: The Officials of the Town of Lyons
Town of Lyons
Greene County, Indiana

This report is supplemental to the audit report of the Town of Lyons (Town), for the period from January 1, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the Town. It should be read in conjunction with the financial statement audit report of the Town, which provides an opinion 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 engaged private examiners under our review to perform the audit of the Town and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report for Town of Lyons prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
TOWN OF LYONS
Greene County, Indiana
January 1, 2020 through December 31, 2023

TOWN OF LYONS
Greene County, Indiana
January 1, 2020 through December 31, 2023

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TOWN OF LYONS
SCHEDULE OF OFFICIALS
January 1, 2020 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Town Council	Kimberly Nickless	01-01-20 to 12-31-23
Clerk Treasurer	Darla Robinson	01-01-20 to 12-31-23



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Town of Lyons

We have examined the Town of Lyons' ("Town") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns* during the period January 1, 2020 through December 31, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns* applicable to the Town during the period January 1, 2020 through December 31, 2023, as described in items 2023-001 through 2023-004 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Town complied, in all material respects, with the aforementioned requirements during the period of January 1, 2020 through December 31, 2023.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 19, 2025

TOWN OF LYONS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2020 through December 31, 2023

FINDING 2023-001: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns states in part, *“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.”*

Condition: During testing of capital assets, we noted that a physical inventory is not taken at least every two years.

FINDING 2023-002: MVH RESTRICTED FUND

Criteria: The purpose of this Directive is to authorize and require . . . 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 the House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

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 50 percent of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

Condition: The Town failed to allocate or deposit at least 50 percent of the distributions from the State Motor Vehicle Highway Account at the time of receipt into a MVH Restricted sub-fund for March 2020, September 2020, October 2020, November 2020, October 2021, and February 2022.

A similar comment appeared in the prior year report B55277, entitled MVH RESTRICTED FUND.

FINDING 2023-003: INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

(Continued)

TOWN OF LYONS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2020 through December 31, 2023

FINDING 2023-003: INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING
(Continued)

Condition: There were deficiencies in the internal control system of the Town related to financial transactions and reporting.

Financial Close and Reporting

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors in the Annual Financial Report entered into the Indiana Gateway for Government Units financial reporting system. The Clerk-Treasurer entered the financial information without an oversight, review, or approval process. This control deficiency resulted in a \$10,768 overstatement of the December 31, 2022 cash balance and a \$10,768 understatement of the December 31, 2023 cash balance. An adjustment was posted to the AFR and accepted by the Town.

A similar comment appeared in the prior year report B55277, entitled INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING.

FINDING 2023-004: COMPENSATION AND BENEFITS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, “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.”

Condition: During testing of payroll expenditures, we noted that an approved timecard was not kept for 1 volunteer firefighter in a sample of 10 employees.

TOWN OF LYONS
EXIT CONFERENCE
January 1, 2020 through December 31, 2023

The contents of this report were discussed on March 19, 2025 with Darla Robinson, Clerk Treasurer, and Michelle Emmons, President of the Town Council.