

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LEWISVILLE

HENRY COUNTY, INDIANA

January 1, 2012 to December 31, 2014



FILED
02/18/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Catherine Sue Saunders	01-01-12 to 12-31-15
President of the Town Council	Richard Craig	01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF LEWISVILLE, HENRY COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Lewisville (Town), for the period from January 1, 2012 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statement Examination Report of the Town, which provides our opinion on the Town'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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 30, 2015

CLERK-TREASURER
TOWN OF LEWISVILLE
EXAMINATION RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

The Annual Financial Reports for 2012 and 2014 contained errors and did not properly reflect the financial activity of the Town. In addition, the Annual Financial Reports for 2012 and 2013 were not filed within 60 days of year end. The following issues in the Annual Financial Reports were noted:

- Receipts and disbursements for the Water Utility Operating, Electric Utility Operating, Water Utility Meter Deposit, and Electric Utility Meter Deposit funds were not stated correctly for 2012. Electric Utility Operating and Electric Utility Meter Deposit receipts and disbursements were reported as Water Utility transactions for that year.
- SRF Water Bond and Interest fund disbursements were not included on the report in 2012.
- The ending fund balance for the Payroll fund at December 31, 2013, did not agree with the beginning fund balance for the Payroll fund at January 1, 2014.

Adjustments were proposed, accepted by the Town and made to the financial statement.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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

The following issues were found during the testing of payroll for compliance:

- Of the ten paychecks sampled, three did not accurately reflect the number of hours worked on the respective employee's time card and service record. In all three instances, the employee was paid less than the hours worked, ranging from 0.25 to 2.0 hours.
- One employee was found to have been paid at an incorrect "Weekend Pay" rate. The salary ordinance for the position states that "Weekend Pay" shall be time and a half, or \$24.75 per hour. The employee was incorrectly paid \$18.75 per hour from January 2012, through April 2014. Beginning in May 2014, the "Weekend Pay" was paid at the correct rate.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF LEWISVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2015, with Catherine Sue Saunders, Clerk-Treasurer.