

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF REYNOLDS

WHITE COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
05/06/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Shirley Rose Tracy Mayhill	01-01-08 to 12-31-11 01-01-12 to 12-31-19
President of the Town Council	Sid Holderly Scott Denton	01-01-11 to 05-14-15 05-15-15 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF REYNOLDS, WHITE COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Reynolds (Town), for the period from January 1, 2011 to December 31, 2012. 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

February 18, 2016

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CLERK-TREASURER
TOWN OF REYNOLDS

CLERK-TREASURER
TOWN OF REYNOLDS
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

The Clerk-Treasurer did not perform a monthly reconciliation of an existing depository account held in the name of the Town. Also, the Clerk-Treasurer did not include this account in the accounting records of the Town.

The "Water Bill" bank account consists of deposits made at the local bank for the collection of water and wastewater payments that are paid at the bank by Town residents. The Clerk-Treasurer periodically makes transfers to the Water and Wastewater Utility accounts based on the payment stubs provided by the bank. As of December 31, 2012, the Water Bill account had a balance of \$4,111 that has not been identified between the Water and Wastewater.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

APPROPRIATIONS

The records presented for examination indicated the Cumulative Capital Imprv Cigarette Tax fund had expenditures in excess of budgeted appropriations for the 2011 year totaling \$842.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register did not reconcile with the customer deposit balance recorded on the general ledger. The Clerk-Treasurer does not maintain a detailed customer deposit register. Similar comments have appeared in the previous five reports.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSETS

The Town reported no capital assets in its 2011 or 2012 Annual Financial Reports. The Town did not dispose of its capital assets, so an amount should have been reported in the Annual Financial Reports. However, prior Report B37344 included a schedule with \$9,415,364 total capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the applicable Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF REYNOLDS
EXIT CONFERENCE

The contents of this report were discussed on February 18, 2016, with Tracy Mayhill, Clerk-Treasurer, and Scott Denton, President of the Town Council.