

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LANESVILLE

HARRISON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
01/19/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda L. Smith Elizabeth A. Blocker	01-01-12 to 06-30-14 07-01-14 to 12-31-19
President of the Town Council	Herbert L. Schneider	01-01-12 to 12-31-17
Superintendent of Utilities	Russell Sizemore (Vacant) Matthew Beckman	01-01-12 to 08-31-15 09-01-15 to 09-30-15 10-01-15 to 12-31-17



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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF LANESVILLE, HARRISON COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Lanesville (Town), for the period from January 1, 2012 to December 31, 2016. 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 Statements Examination Report of the Town, which provides our 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 performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 5, 2017

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CLERK-TREASURER
TOWN OF LANESVILLE

CLERK-TREASURER
TOWN OF LANESVILLE
EXAMINATION RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Similar comments also appeared in prior Reports B37683 and B40748, entitled *CONDITION OF RECORDS*.

Depository reconciliations of the fund balances to the bank account balances were being conducted; however, there were adjusting entries being carried from prior years and additional manual entry adjustments being used in the depository reconciliations to balance. Evidence was not provided to support these reconciling items. A new Clerk-Treasurer was appointed July 1, 2014, and with the assistance of the Town's software provider, journal entries were made in December of 2014, to clear these items from the reconcilements. As of December 31, 2016, the funds ledger materially reconciled to the depository balances in total; however, the balances of the individual funds which are tied to specific bank accounts did not reconcile to the corresponding depository balances. The schedule below details the variances between the individual funds and the corresponding bank accounts:

Bank	Reconciled Bank Balance	Funds Ledger Balance	Variance (Long)/ Short
Bank 1	\$ 98,915	\$ 172,203	\$ 73,288
Bank 3	136,924	107,495	(29,429)
Bank 4	22,299	22,293	(6)
Bank 5	78,346	78,346	-
Bank 6	444,306	400,616	(43,690)
Bank 7	24,790	24,590	(200)
Totals	<u>\$ 805,580</u>	<u>\$ 805,543</u>	<u>\$ (37)</u>

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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF LANESVILLE
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2017, with Elizabeth A. Blocker, Clerk-Treasurer, and Herbert L. Schneider, President of the Town Council.