

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LYNNVILLE

WARRICK COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
06/25/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sheridan Jones Lauri Stockus	01-01-15 to 12-31-18 01-01-19 to 12-31-22
President of the Town Council	Eric Erwin Doris Horn Eric Erwin	01-01-15 to 12-31-15 01-01-16 to 12-31-18 01-01-19 to 12-31-19
Superintendent of Utilities	Mike Ruedlinger Stephen Bailes	01-01-15 to 05-13-18 05-14-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF LYNNVILLE, WARRICK COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Lynnville (Town), for the period from January 1, 2015 to December 31, 2018. 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 our Financial Statements Audit 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 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.

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

May 9, 2018

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CLERK-TREASURER
TOWN OF LYNNVILLE

CLERK-TREASURER
TOWN OF LYNNVILLE
AUDIT RESULTS AND COMMENTS

PENALTIES AND INTEREST PAID

The same comment also appeared in prior Report B46325.

As Clerk-Treasurer, Sheridan Jones (Jones) was responsible for the accurate and timely payment of federal withholding tax and state sales tax during the audit period.

The Town paid penalties and interest during the audit period as follows:

<u>Payee</u>	<u>Penalties</u>	<u>Interest</u>	<u>Totals</u>
Internal Revenue Service, 941 Tax	\$ 1,634.38	\$ 359.44	\$ 1,993.82
Indiana Department of Revenue, Sales Tax	<u>234.00</u>	<u>10.78</u>	<u>244.78</u>
Totals	<u>\$ 1,868.38</u>	<u>\$ 370.22</u>	<u>\$ 2,238.60</u>

On May 9, 2019, Jones personally reimbursed the Town \$2,238.60 for the penalties and interest paid.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit 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 LYNNVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND AMOUNT AND RECORDING

The public official bond for the Clerk-Treasurer during each year of the audit period was \$30,000, which did not meet the minimum requirements established by Indiana Code 5-4-1-18. Additionally, the bond was not recorded in the office of the County Recorder for 2018.

Indiana Code 5-4-1-18(e) states:

"Except as provided in subsections (k) and (l), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, employee, or contractor of a political subdivision . . . shall file the bond with the fiscal officer of the political subdivision and in the office of the county recorder in the county of office or employment of the officer, official, deputy, employee, or contractor. The county recorder and deputies and employees of the recorder shall file their bonds with the county auditor and in the office of the clerk of the circuit court."

CLERK-TREASURER
TOWN OF LYNNVILLE
EXIT CONFERENCE

The contents of this report were discussed on May 9, 2019, with Sheridan Jones, former Clerk-Treasurer; Lauri Stockus, Clerk-Treasurer; Eric Erwin, President of the Town Council; and Stacy Tevault, Town Council member.

CLERK-TREASURER
TOWN OF LYNNVILLE
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Sheridan Jones, former Clerk-Treasurer: Penalties and Interest Paid, page 6	\$ 2,238.60	\$	\$
Payment made by Sheridan Jones, former Clerk-Treasurer May 9, 2019, receipts 15281, 15282, 15283, 15284		2,238.60	-
Totals	\$ 2,238.60	\$ 2,238.60	\$ -

This report was forwarded to the Office of the Indiana Attorney General.