

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, 2019 to December 31, 2019



FILED
07/13/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lauri Stockus	01-01-19 to 12-31-22
President of the Town Council	Eric Erwin Stacy C. Tevault	01-01-19 to 07-02-19 07-03-19 to 12-31-20
Utility Office Manager	Stephen Bailes	01-01-19 to 12-31-20



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, 2019 to December 31, 2019. 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 Statement Audit Report of the Town, which provides our opinions 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 28, 2020

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CLERK-TREASURER
TOWN OF LYNNVILLE

CLERK-TREASURER
TOWN OF LYNNVILLE
AUDIT RESULTS AND COMMENTS

MOTOR VEHICLE HIGHWAY RESTRICTED FUND

Condition and Context

Effective January 1, 2019, State Examiner Directive 2018-2 established that 50 percent of state Motor Vehicle Highway (MVH) distributions shall be maintained in a MVH Restricted fund to be allocated for construction, reconstruction, and preservation of the Town's highways.

In May 2019, the Town established a MVH Restricted fund and started maintaining state distributions in this fund. Although adjustments were made to the Financial Statements, the Motor Vehicle Highway Restricted fund was not shown separately on the Annual Financial Report to audit.

Criteria

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows: . . . Cities and Towns Fund 201 MVH Fund 203 MVH Restricted. Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report . . . (State Examiner Directive 2018-2)

CAPITAL ASSETS

Condition and Context

A similar comment also appeared in prior Report B52934, entitled *CAPITAL ASSETS*.

Although the Town had a listing of capital assets owned, the assets were not reflected at their acquisition value. The capital assets owned were measured at their replacement value based on insurance appraisals.

The Town performed an in-house physical inventory. However, no records were presented supporting the physical inventory performed in-house.

Criteria

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. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

CLERK-TREASURER
TOWN OF LYNNVILLE
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2020, with Lauri Stockus, Clerk-Treasurer, and Stacy C. Tevault, President of the Town Council.