

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CENTERVILLE

WAYNE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**

12/20/2021



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Clerk-Treasurer:	
Audit Results and Comments:	
Fund Sources and Uses.....	6
Overdrawn Cash Balances .....	6
Exit Conference .....	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Susan E. Dillman	01-01-19 to 08-20-21
	(Vacant)	08-21-21 to 08-22-21
	Janice Roberts	08-23-21 to 09-13-21
	Richard Tincher	09-14-21 to 12-31-21
President of the Town Council	Daniel Wandersee	01-01-19 to 12-31-21
Superintendent of Utilities	Kevin Slick	01-01-19 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CENTERVILLE, WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Centerville (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/](http://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

December 9, 2021

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CLERK-TREASURER  
TOWN OF CENTERVILLE

CLERK-TREASURER  
TOWN OF CENTERVILLE  
AUDIT RESULTS AND COMMENTS

**FUND SOURCES AND USES**

*Condition and Context*

The City posted 50 percent of its State Motor Vehicle Highway distributions to the MVH Restricted fund as required; however, the City subsequently transferred \$19,046 out of the MVH Restricted fund to pay for highway construction. The construction expenditures should have been paid directly from the MVH Restricted fund.

*Criteria*

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to create a new sub-fund within the MVH Fund to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

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 and Annual Operational Report.

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

**OVERDRAWN CASH BALANCES**

*Condition and Context*

The cash balance of the Trash & Garbage Pickup fund was overdrawn by \$190,511 at December 31, 2019, and had an overdrawn balance throughout the entire audit period.

*Criteria*

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF CENTERVILLE  
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2021, with Richard Tincher, Clerk-Treasurer, and Dan Wandersee, President of the Town Council.