

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF AVON

HENDRICKS COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/30/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sharon Howell Julie Loker	01-01-19 to 12-31-19 01-01-20 to 12-31-21
President of the Town Council	Marcus Turner Greg Zusan Dawn Lowden	01-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF AVON, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Avon (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 16, 2021

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CLERK-TREASURER  
TOWN OF AVON

CLERK-TREASURER  
TOWN OF AVON  
AUDIT RESULTS AND COMMENTS

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Town incorrectly certified in the 2019 Annual Financial Report that Town personnel had received training regarding internal control standards as adopted by the Town. The Town was unable to provide documentation that necessary personnel hired during the audit period had completed the training on internal control standards.

*Context*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

**MOTOR VEHICLE HIGHWAY (MVH) RESTRICTED FUND**

*Condition and Context*

The Town did not establish a MVH Restricted fund in its records and it was not shown on the Annual Financial Report. The Town accounted for the MVH Restricted receipts and disbursements as separate organizational categories within the MVH fund, Fund 201. The January, February, and July MVH distributions totaling \$132,697 were not allocated to the MVH Restricted category. The November MVH distribution of \$44,542 was posted incorrectly to the Local Road And Street fund. These errors resulted in less than the 50 percent allocation as required.

*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 1002-217 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.

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)

CLERK-TREASURER  
TOWN OF AVON  
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2021, with Julie Loker, Clerk-Treasurer; Dawn Lowden, President of the Town Council; Ryan Cannon, Town Manager; Rob Pope, Vice President of the Town Council; and Sharon Howell, former Clerk-Treasurer.

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TOWN COUNCIL  
TOWN OF AVON

TOWN COUNCIL  
TOWN OF AVON  
AUDIT RESULT AND COMMENT

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Town Council did not ensure that all applicable personnel had received training concerning the internal control standards and procedures adopted by the Town. Documentation of which personnel that received the internal control training was not presented for audit.

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL  
TOWN OF AVON  
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2021, with Julie Loker, Clerk-Treasurer; Dawn Lowden, President of the Town Council; Ryan Cannon, Town Manager; Rob Pope, Vice President of the Town Council; and Sharon Howell, former Clerk-Treasurer.