

**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, 2020 to December 31, 2020



**FILED**  
12/30/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Julie Loker	01-01-20 to 12-31-21
President of the Town Council	Greg Zusan Dawn Lowden	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, 2020 to December 31, 2020. 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 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 Audit Result and Comment, 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 RESULT AND COMMENT

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

*Condition and Context*

Town did not establish a Motor Vehicle Highway (MVH) Restricted fund in its records, and the fund was not shown on the Annual Financial Report. The Town accounted for the MVH Restricted receipts and disbursements as separate organizational categories within Fund 201, the MVH fund.

The January, March, April, and May distributions from the State Motor Vehicle Highway Account totaling \$175,960 were not allocated to the MVH Restricted category of the MVH fund. The September distribution of \$42,303 was posted incorrectly to the Local Road And Street fund. The errors resulted in less than the 50 percent allocation of distributions 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; Ryan Cannon, Town Manager; Dawn Lowden, President of the Town Council; and Robert Pope, Town Council member.