

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ZIONSVILLE

BOONE COUNTY, INDIANA

January 1, 2020 to December 31, 2020



**FILED**  
01/27/2022



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer Chief Financial Officer	Amelia Lacy Tammy Havard (Vacant)	01-01-20 to 06-03-20 06-04-20 to 12-23-21 12-24-21 to 12-31-22
Mayor	Emily Styron	01-01-20 to 12-31-22
President of the Town Council	Josh Garrett Jason Plunkett	01-01-20 to 12-31-21 01-01-22 to 12-31-22
Superintendent of Wastewater Utility	Barry Cook (Vacant)	01-01-20 to 03-01-21 03-02-21 to 12-31-22
Superintendent of Stormwater Utility Director of Public Works	Lance Lantz Lance Lantz	01-01-20 to 10-04-20 10-05-20 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ZIONSVILLE, BOONE COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Zionsville (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 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

January 20, 2022

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CHIEF FINANCIAL OFFICER  
TOWN OF ZIONSVILLE

CHIEF FINANCIAL OFFICER  
TOWN OF ZIONSVILLE  
AUDIT RESULT AND COMMENT

**FINANCIAL TRANSACTIONS AND REPORTING**

*Condition and Context*

The Town did not have adequate internal controls in place to ensure that all financial activity of the Town was maintained and accurately reported. The financial activity of the Town's self-insurance plan and the Town's Redevelopment Commission were not reported in the financial statement.

The Town utilized a third-party administrator to administer its self-insurance plan. All financial activity and cash balances were accounted for by the third-party administrator, but were not included in the Town's financial records. Adjustments to the financial statement for the financial transactions of the self-insurance plan were proposed, approved by management, and were made to the financial statement presented in the Financial Statement Audit Report.

Additionally, there was a Redevelopment Commission bank account that had activity and a cash balance that were not included in the financial records or the financial statement of the Town.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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](#)."

CHIEF FINANCIAL OFFICER  
TOWN OF ZIONSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2022, with Cindy Poore, Deputy Chief Financial Officer; Jason Plunkett, President of the Town Council; Brad Burk, Vice President of the Town Council; Emily Styron, Mayor; and Julie Johns-Cole, Deputy Mayor.

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BOARD OF PARKS AND RECREATION  
TOWN OF ZIONSVILLE

BOARD OF PARKS AND RECREATION  
TOWN OF ZIONSVILLE  
AUDIT RESULT AND COMMENT

***PUBLIC RECORDS RETENTION***

*Condition and Context*

The Allowance of Accounts Payable Voucher listing, which provides evidence of the Board approving claims, was not provided for audit for ten of the twelve months during the audit period.

*Criteria*

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

BOARD OF PARKS AND RECREATION  
TOWN OF ZIONSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2022, with Cindy Poore, Deputy Chief Financial Officer; Jason Plunkett, President of the Town Council; John Stehr, President of the Board of Parks and Recreation; Emily Styron, Mayor; and Julie Johns-Cole, Deputy Mayor.