



STATE OF INDIANA
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B59007

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April 8, 2022

TO: THE OFFICIALS OF THE TOWN OF BLOUNTSVILLE, HENRY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Blountsville (Town), Henry County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

APPROPRIATIONS

The same comment appeared in prior Report B48184.

Context and Condition

The following funds had disbursements in excess of budgeted appropriations for the amounts shown below:

Year	Fund	Excess Amount Expended
2018	General	\$ 3,540
2018	Motor Vehicle Highway	3,600
2018	Local Road And Street	4,670
2019	General	11,134
2019	Local Road And Street	1,320
2020	General	162
2020	Motor Vehicle Highway	9,570

Criteria

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

LATE SUBMISSION OF CERTIFIED REPORT

Condition and Context

The Town's Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100R), for 2017, 2018, 2019, and 2020 were not filed electronically until May 1, 2018, February 4, 2019, February 4, 2020, and February 26, 2021, respectively, which was 90, 4, 4, and 26 days past the due dates.

Criteria

Indiana Code 5-11-13-1(b) states in part:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. . . . The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

In 2019, the Town failed to create and report the MVH Restricted sub-fund as directed by the State Examiner. Therefore, the Town failed to allocate or deposit at least 50 percent of the distributions from the State Motor Vehicle Highway (MVH) Account at the time of the receipt, into an MVH Restricted sub-fund. Since the MVH Restricted sub-fund had not been created, we were not able to determine if the Town used at least 50 percent for the purposes specified in Indiana Code 8-14-1-5(c).

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 20	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)

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."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
General	\$ 22,582
Motor Vehicle Highway	1,249
Local Road And Street	2,175
CCIF	148
Total	<u>\$ 26,154</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Scott Smith, Clerk-Treasurer, and Joseph Nickol, President of the Town Council, on March 22, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner