

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF HUNTERTOWN

ALLEN COUNTY, INDIANA

January 1, 2020 to December 31, 2021



**FILED**

10/25/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ryan Schwab	01-01-20 to 12-31-22
President of the Town Council	Mike Aker Gary Grant Brandon Seifert	01-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-22
President of the Utility Service Board	Brad Hite	01-01-20 to 12-31-22
Town Manager	Beth Shellman	01-01-20 to 12-31-22
Utility Office Manager	Rosemary Scheele	01-01-20 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF HUNTERTOWN, ALLEN COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Huntertown (Town), for the period from January 1, 2020 to December 31, 2021. 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.

Beth Kelley, CPA, CFE  
Deputy State Examiner

October 12, 2022

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CLERK-TREASURER  
TOWN OF HUNTERTOWN

CLERK-TREASURER  
TOWN OF HUNTERTOWN  
AUDIT RESULT AND COMMENT

**CORONAVIRUS RELIEF FUND**

*Condition and Context*

The Town did not properly account for the Coronavirus Relief Fund (CRF) in accordance with the State Examiner Directive 2020-3 (Directive).

The Town did not account for non-payroll expenditures in accordance with one of the Frameworks prescribed in the Directive. Reimbursement for non-payroll expenditures was receipted into the CARES - IFA fund (CARES fund). At that time, a claim was created against the CARES fund to reimburse the fund in which the expenditures originated. However, the expenditures upon which the reimbursement was based should have been reversed and recorded in the CARES fund, which would have allowed for the proper processing and recording of the CARES fund activity and the reinstatement of the cash balance and appropriation of the originating fund.

In 2021, the Town received additional reimbursements for non-payroll expenditures. Since the expenditure activity related to these reimbursements was in 2020, the expense could not be reversed. The Town claimed the money to the County Economic Development Income Tax and the Cumulative Capital Development funds; however, the reimbursements should have been claimed to the General fund, which would have allowed the money to be expended for any general unit purpose.

*Criteria*

Transactions for other permitted costs reimbursed by IFA must be accounted for through one of the following prescribed frameworks.

**Framework One.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. Reimbursed disbursements originally incurred in another fund will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the fund cash balance and re-appropriate the fund in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

CLERK-TREASURER  
TOWN OF HUNTERTOWN  
AUDIT RESULT AND COMMENT  
(Continued)

Once the disbursement is reversed within the original fund, it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once these steps are completed, the balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

**Framework Two.** If IFA has provided reimbursement based on unpaid invoices or purchase orders, then reimbursements received from IFA shall be receipted into the separate CARES grant fund. The expenditures to vendors will be made through the CARES grant fund and these expenditures must match the application made to IFA. If the actual invoice or invoices relating to a purchase order is less than the purchase order, then the difference in the money expended to the vendor and the amount received for the purchase order from IFA must be returned to IFA. The items on the invoice must match the items on the purchase order. All documentation must be maintained.

Once these steps are completed, the balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

**Framework Three:** If you have created a negative balance in your CARES fund based on expenditures made in anticipation of receipt of reimbursement for allowable expenditures where invoices have already been submitted to IFA then leave as is and receipt reimbursement when received, bringing the balance in the separate CARES grant fund to zero. Going forward, expend any anticipated allowable expenditures from a fund with an appropriation and follow framework one. If a negative balance in the CARES grant fund is not fully reimbursed, then the unreimbursed amount will require a reverse entry and posting of the expenditure to the general or other appropriate fund within an appropriated line item.

Once these steps are completed, the balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

(State Examiner Directive 2020-3)

CLERK-TREASURER  
TOWN OF HUNTERTOWN  
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2022, with Ryan Schwab, Clerk-Treasurer; Beth Shellman, Town Manager; and Mike Stamets, Town Council member.