

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF HYMERA

SULLIVAN COUNTY, INDIANA

January 1, 2020 to December 31, 2021



FILED
11/17/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nicole Hall	01-01-20 to 12-31-22
President of the Town Council	James Enstrom	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 HYMERA, SULLIVAN COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Hymera (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/.

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.

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE
Deputy State Examiner

November 9, 2022

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CLERK-TREASURER
TOWN OF HYMERA

CLERK-TREASURER
TOWN OF HYMERA
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

The same comment also appeared in prior Report B56162, and a Management Letter addressed to the Clerk-Treasurer and Town Council for the audit period ending December 31, 2017.

Condition and Context

The Town did not maintain a detailed listing of capital assets, or evidence that a capital asset inventory had been completed at least once every two years.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer and Town Council for the audit period ending December 31, 2019.

Condition and Context

As of October 13, 2022, the Town had not uploaded all the files required for the monthly and annual engagement uploads into the Indiana Gateway for Government Units financial reporting system for the years 2020 and 2021.

Criteria

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)

Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

CLERK-TREASURER
TOWN OF HYMERA
AUDIT RESULTS AND COMMENTS
(Continued)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

This same comment appeared in a Management Letter addressed to the Clerk-Treasurer and Town Council for the audit period ending December 31, 2019.

Condition and Context

The Clerk-Treasurer incorrectly certified that the Town had adopted minimum internal control standards for 2020 and 2021. The Town did adopt internal control standards in 2018, but the standards adopted did not meet the minimum internal control standards as put forth by the Indiana State Board of Accounts.

Criteria

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

During 2020 and 2021, the Town did not allocate at least 50 percent of the funds distributed from the State Motor Vehicle Highway (MVH) Account to the MVH Restricted Fund.

Criteria

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."

CLERK-TREASURER
TOWN OF HYMERA
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2022, with Nicole Hall, Clerk-Treasurer, and James Enstrom, President of the Town Council.

TOWN COUNCIL
TOWN OF HYMERA

TOWN COUNCIL
TOWN OF HYMERA
AUDIT RESULT AND COMMENT

ADOPTION OF INTERNAL CONTROL STANDARDS

Condition and Context

This same comment appeared in a Management Letter addressed to the Town Council for the audit period ending December 31, 2019.

The Town adopted an internal control policy in 2018, but it did not meet the acceptable minimum internal control standards as put forth by the Indiana State Board of Accounts.

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:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and . . ."

TOWN COUNCIL
TOWN OF HYMERA
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2022, with Nicole Hall, Clerk-Treasurer, and James Enstrom, President of the Town Council.