

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CAMDEN

CARROLL COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
11/28/2023



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SCHEDULE OF OFFICIALS

| <u>Office</u>                    | <u>Official</u>                     | <u>Term</u>                                  |
|----------------------------------|-------------------------------------|--|
| Clerk-Treasurer                  | Patricia A. Casserly<br>Jeff Sieber | 01-01-19 to 12-31-19<br>01-01-20 to 12-31-23 |
| President of the<br>Town Council | Brent Deel                          | 01-01-19 to 12-31-23                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CAMDEN, CARROLL COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Camden (Town), for the period from January 1, 2019 to December 31, 2022. 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 the Financial Statements Audit Report of the Town, which provides our opinions on the Town's financial statements. 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.

Beth Kelley, CPA, CFE  
Deputy State Examiner

November 16, 2023

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CLERK-TREASURER  
TOWN OF CAMDEN

CLERK-TREASURER  
TOWN OF CAMDEN  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

There were deficiencies in the internal control system of the Town related to financial close and reporting. The Clerk-Treasurer entered and submitted financial information into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report (AFR) and financial statements without a proper system of internal controls in place to prevent, or detect and correct, errors on the AFR and financial statements.

*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. . . ."

**ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

*Condition and Context*

Other information was required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The other information entered by the Town into Gateway contained errors.

*Schedule of Capital Assets*

Capital asset information entered into Gateway could not be verified due to a lack of supporting documentation for amounts reported. The Town has chosen to omit the Schedule of Capital Assets from the Financial Statements Audit Report for the Town.

*Schedule of Leases and Debt*

Amounts reported for ending principal balance and principal due within one year were understated by \$93,733 and \$18,000, respectively. Adjustments were proposed, accepted by the Town, and made to the Schedule of Leases and Debt presented in the Financial Statements Audit Report for the Town as Other Information.

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

*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](#)."

**CAPITAL ASSETS**

*Condition and Context*

The Town was unable to provide a detailed listing of capital assets or evidence that a capital asset inventory had been completed at least 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)

**ACCOUNTING FOR CORONAVIRUS RELIEF FUNDS**

*Condition and Context*

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

During 2020, the Town receipted Indiana Finance Authority (IFA) reimbursements of \$16,245 into the COVID Grant Money fund (CARES fund). Of this amount, \$15,341 was for payroll and \$904 was for non-payroll expenses. One claim for \$16,245 was paid out of the CARES fund at the end of 2020, which did not correspond to either of the two reimbursements. The expenditures upon which the reimbursement was based should have been recorded in the CARES fund or the reimbursed amount transferred through the claims process to the General fund, which would have allowed the money to be expended for any general fund purpose. Either of these two methods would have allowed for the proper processing and recording of subsequent expenditures. The CARES fund had a zero balance as of December 31, 2020.

During 2021, the Town received an additional reimbursement in the amount of \$3,513. As of December 31, 2021, the reimbursement remained in the CARES fund, which should have been immediately claimed to the General fund. This would allow for the money to be expended for any general fund purpose with appropriation.

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

*Criteria*

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

**Option One.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other 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.

Once the disbursement is reversed within the general fund (or other 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 option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

**Option Two.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020. . . .**

(State Examiner Directive 2020-3)

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)

CLERK-TREASURER  
TOWN OF CAMDEN  
EXIT CONFERENCE

The contents of this report were discussed on November 16, 2023, with Jeff Sieber, Clerk-Treasurer, and Andy Robison, Town Council member.