

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF ROANN

WABASH COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED

01/16/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robert M. Ferguson, Jr.	01-01-18 to 12-31-27
President of the Town Council	James A. Pell	01-01-18 to 12-31-18
	Richard Morris	01-01-19 to 08-30-22
	(Vacant)	08-31-22 to 09-12-22
	Jerry Nelson	09-13-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ROANN, WABASH 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 Roann (Town), for the period of January 1, 2018 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Town as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Town's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Robert M. Ferguson, Jr., Clerk-Treasurer; Peggy Myers, Deputy Clerk-Treasurer; and Jeremy Fisher, Town Council member, on January 10, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 10, 2024

TOWN OF ROANN COMMENTS

CAPITAL ASSETS

Condition and Context

The Schedule of Capital Assets as presented in the Annual Financial Report (AFR) filed in the Indiana Gateway for Government Units reporting system at December 31, 2022, did not agree with the subsidiary Capital Asset Ledger (Form 369). The Town reported capital assets of \$3,482,955 in the AFR whereas the subsidiary Capital Asset Ledger reported capital assets of \$3,463,368. In addition, a complete physical inventory has not been taken for numerous 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)

COMPENSATION AND BENEFITS

Condition and Context

The Town hired a utility apprentice on June 1, 2020, and the apprentice was paid \$17,383 during the year ending December 31, 2020. The utility apprentice position was not included in the salary ordinance for 2020.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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TOWN OF ROANN
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2018 and 2019

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-18	Receipts	Disbursements	12-31-18	Receipts	Disbursements	12-31-19
GENERAL	\$ 178,218	\$ 126,869	\$ 194,310	\$ 110,777	\$ 136,175	\$ 169,902	\$ 77,050
MOTOR VEHICLE HIGHWAY	199,640	79,011	124,508	154,143	47,481	32,848	168,776
LOCAL ROAD & STREET	13,203	4,308	8,000	9,511	4,359	-	13,870
MVH Restricted (subfund of Motor Vehicle Highway)	-	-	-	-	10,308	-	10,308
SANITATION	3,920	17,287	17,089	4,118	17,135	17,073	4,180
Unsafe Building	-	-	-	-	109	-	109
Playground Donation	5,100	10,779	-	15,879	12,081	-	27,960
RAINY DAY FUND	1,313	-	-	1,313	-	-	1,313
LOIT Special Dstribution	17,796	-	17,796	-	-	-	-
Park & Recreation	-	-	-	-	610	-	610
PUBLIC SAFETY	24,629	9,859	6,494	27,994	9,864	7,229	30,629
CUM FIRE	26,595	6,000	-	32,595	6,000	-	38,595
LIT - Economic Development (Formerly CEDIT)	-	-	-	-	1,599	-	1,599
CUM CAPITAL IMPROVEMENT	3,161	1,120	600	3,681	1,094	600	4,175
Payroll - Revenue	-	161,646	157,560	4,086	183,486	184,252	3,320
CDBG Blight	-	359,352	359,896	(544)	544	-	-
Community Crossing INDOT	-	296,300	296,300	-	-	-	-
ECONOMIC DEV-CEDIT	33,338	9,923	20,000	23,261	8,212	3,497	27,976
SEWAGE CASH OPERATING	21,130	146,708	149,290	18,548	127,730	141,644	4,634
SEWAGE DEPRECIATION	7,811	10,002	10,000	7,813	10,002	-	17,815
SEWAGE BOND & INTEREST	-	45,778	45,778	-	35,741	35,741	-
SEWAGE DEBT SERV RESERVE	44,369	-	-	44,369	-	-	44,369
WATER CASH OPERATING	34,673	103,831	128,944	9,560	106,500	114,413	1,647
WATER DEPRECIATION	5,562	-	-	5,562	-	5,003	559
Totals	\$ 620,458	\$ 1,388,773	\$ 1,536,565	\$ 472,666	\$ 719,030	\$ 712,202	\$ 479,494

TOWN OF ROANN
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
GENERAL	\$ 77,050	\$ 177,923	\$ 184,404	\$ 70,569	\$ 206,346	\$ 197,550	\$ 79,365
MOTOR VEHICLE HIGHWAY	168,776	15,746	51,208	133,314	14,647	56,685	91,276
LOCAL ROAD & STREET	13,870	4,176	4,897	13,149	4,492	5,377	12,264
MVH Restricted (subfund of Motor Vehicle Highway)	10,308	9,091	-	19,399	10,048	-	29,447
Trash and Garbage	4,180	17,402	17,065	4,517	17,311	17,397	4,431
Unsafe Building	109	-	-	109	-	-	109
Playground Donation	27,960	400	-	28,360	75	28,435	-
RAINY DAY FUND	1,313	-	-	1,313	-	-	1,313
Cumulative Capital Improvement-Cigarette Tax	4,175	1,039	795	4,419	984	600	4,803
Park & Recreation	610	2,251	-	2,861	29,150	1,236	30,775
PUBLIC SAFETY	30,629	11,554	11,009	31,174	12,786	11,360	32,600
CUM FIRE	38,595	-	-	38,595	6,000	-	44,595
LIT - Economic Development (Formerly CEDIT)	1,599	17,500	-	19,099	43,995	5,000	58,094
Payroll - Revenue	3,320	226,318	223,054	6,584	249,827	256,211	200
ARP Fund	-	-	-	-	50,912	28,626	22,286
COVID - 19 IFA	-	-	-	-	12,402	12,402	-
ECONOMIC DEV-CEDIT	27,976	2,653	1,174	29,455	-	29,455	-
SEWAGE UTILITY OPERATING	4,634	157,753	155,786	6,601	154,212	160,449	364
SEWAGE UTILITY DEPRECIATION	17,815	10,002	24,000	3,817	4,158	7,950	25
SEWAGE UTILITY BOND & INTEREST SINKING	-	34,813	34,813	-	74,871	74,871	-
SEWAGE UTILITY CONSTRUCTION (IN PROGRESS)	44,369	-	-	44,369	-	44,369	-
WATER CASH OPERATING	1,647	117,821	112,318	7,150	124,648	112,879	18,919
WATER DEPRECIATION	559	-	550	9	-	-	9
Totals	<u>\$ 479,494</u>	<u>\$ 806,442</u>	<u>\$ 821,073</u>	<u>\$ 464,863</u>	<u>\$ 1,016,864</u>	<u>\$ 1,050,852</u>	<u>\$ 430,875</u>

TOWN OF ROANN
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22
GENERAL	\$ 79,365	\$ 172,723	\$ 173,227	\$ 78,861
MOTOR VEHICLE HIGHWAY	91,276	24,234	26,223	89,287
LOCAL ROAD & STREET	12,264	4,589	7,959	8,894
MVH Restricted (subfund of Motor Vehicle Highway)	29,447	9,615	1,000	38,062
Trash and Garbage	4,431	30,223	29,307	5,347
Local Law Enforcement Continuing Education Fund	-	44	-	44
Unsafe Building	109	-	-	109
RAINY DAY FUND	1,313	-	-	1,313
Opioid Settlement Unrestricted	-	155	-	155
Cumulative Capital Improvement-Cigarette Tax	4,803	800	600	5,003
Park & Recreation	30,775	5,420	3,693	32,502
PUBLIC SAFETY	32,600	10,980	5,766	37,814
CUM FIRE	44,595	5,000	-	49,595
LIT - Economic Development (Formerly CEDIT)	58,094	10,503	9,175	59,422
Payroll - Revenue	200	209,177	209,161	216
ARP Fund	22,286	51,297	23,169	50,414
SEWAGE UTILITY OPERATING	364	149,944	143,041	7,267
SEWAGE UTILITY DEPRECIATION	25	4,000	-	4,025
WATER CASH OPERATING	18,919	129,782	141,215	7,486
WATER DEPRECIATION	9	20,000	-	20,009
Totals	<u>\$ 430,875</u>	<u>\$ 838,486</u>	<u>\$ 773,536</u>	<u>\$ 495,825</u>