

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CUMBERLAND

MARION COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED
12/18/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Erica Salmon	01-01-21 to 12-31-23
President of the Town Council	Anna Pea	01-01-21 to 12-31-22
	Joe Siefker	01-01-23 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CUMBERLAND, MARION COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Cumberland (Town), for the period from January 1, 2021 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 Statement 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/.

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

December 7, 2023

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CLERK-TREASURER
TOWN OF CUMBERLAND

CLERK-TREASURER
TOWN OF CUMBERLAND
AUDIT RESULTS AND COMMENTS

STALE DATED OUTSTANDING CHECKS

Condition and Context

There were 13 checks from the Utility Bank Accounts #2 and #3 totaling \$977, that were listed as outstanding on the December 31, 2022 outstanding check list. There were 6 checks from the Court Bank Account totaling \$1,575, that were listed as outstanding on the December 31, 2022 outstanding check list.

Any warrants or checks written before January 1, 2020, should have been voided and receipted back into the fund or funds from which they were originally drawn on before March 1, 2022.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

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

Indiana Code 5-11-10.5-5 states in part:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision.
..."

CAPITAL ASSETS

Condition and Context

A capital assets policy was presented for audit, but the capital assets policy did not show evidence of Town Council approval or adoption.

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)



12/14/2023

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OFFICIAL RESPONSE

Town of Cumberland examination results and comments for the years 2021 & 2022.

STALE DATE OUTSTANDING CHECKS

The Town concurs that outstanding checks from the Utility and Court accounts remained on the bank reconciliation for more than two years beyond their original issue date. The town will receipt these checks into the ledger no later than March 2024, along with any other checks that remain outstanding beyond two years at that time.

CAPITAL ASSETS

The Town concurs that the Capital Asset policy was not adopted by the Town Council. The policy (Ordinance 2023-30) was introduced to the council on 12/6/2023 and we anticipate that the ordinance will be approved on 12/20/2023.

A handwritten signature in black ink that reads "Erica Salmon".

Erica Salmon

Clerk Treasurer, Town of Cumberland

CLERK-TREASURER
TOWN OF CUMBERLAND
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2023, with Erica Salmon, Clerk-Treasurer; Ben Loops, Town Manager; Joe Siefker, President of the Town Council; Anna Pea, Town Council member; Breck Terheide, Town Council member; and Allison Gray, Deputy Clerk-Treasurer.