

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF CANNELBURG

DAVISS COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
02/01/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patsy Stanley Steven Hart Sam Gines	01-01-19 to 12-31-22 01-01-23 to 06-27-23 06-28-23 to 12-31-24
President of the Town Council	David DeLong	01-01-19 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TOWN OF CANNELBURG, DAVIESS 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 Cannelburg (Town), for the period of January 1, 2019 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 Sam Gines, Clerk-Treasurer, and Tony Graber, Town Council member, on January 30, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

January 2, 2024

TOWN OF CANNELBURG  
COMMENTS

**CAPITAL ASSETS**

*Condition and Context*

A capital asset policy was not presented for audit. The Town reported total capital assets in the Annual Financial Report in the amount of \$35,000, which consists of one fire truck.

*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)

**100R - CERTIFIED REPORT FILED AFTER DUE DATE**

*Condition and Context*

The Town did not timely file a Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (Form 100R) with the Indiana State Board of Accounts for 2021 and 2022. The report for 2021 was filed on April 30, 2022, which is 89 days past the due date, and the report for 2022 was filed on March 11, 2023, which was 39 days past the due date.

*Criteria*

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

For each year of the engagement period, the Town certified in the Indiana Gateway for Government Units financial reporting system that all required personnel had received the training over internal control standards; however, documentation could not be provided to support that the required employees had completed the training.

TOWN OF CANNELBURG  
COMMENTS  
(Continued)

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial report 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](#)."

**ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS**

*Condition and Context*

An internal control standards policy was not presented for audit. In addition, certifications that the officials had received the required internal control standards training were not presented for audit. Therefore, we could not determine that the Town was in compliance with the internal control standards requirements.

*Criteria*

Indiana Code 5-11-1-27(g) states:

"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
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

**ANNUAL UPLOADS**

*Condition and Context*

The Town failed to upload the following annual files to the Indiana Gateway for Government Units financial reporting system:

- Salary ordinance - 3 of the 4 years
- Funds ledger - 3 of the 4 years
- Payroll History Report - 4 of the 4 years

*Criteria*

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, updated November 9, 2020, and effective with uploads due February 15, 2021)

TOWN OF CANNELBURG  
COMMENTS  
(Continued)

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)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

TOWN OF CANNELBURG  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
General	\$ 13,399	\$ 20,759	\$ 20,483	\$ 13,675	\$ 14,276	\$ 20,570	\$ 7,381
Motor Vehicle Highway	1,545	4,932	2,000	4,477	85,412	88,950	939
Local Road And Street	310	1,244	-	1,554	1,199	-	2,753
Motor Vehicle Restricted #2	-	2,663	-	2,663	35,169	37,368	464
Cumulative Capitol Improvement	167	308	-	475	293	-	768
RiverBoat	-	-	-	-	1,599	-	1,599
Totals	<u>\$ 15,421</u>	<u>\$ 29,906</u>	<u>\$ 22,483</u>	<u>\$ 22,844</u>	<u>\$ 137,948</u>	<u>\$ 146,888</u>	<u>\$ 13,904</u>

TOWN OF CANNELBURG  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
General	\$ 7,381	\$ 44,328	\$ 19,292	\$ 32,417	\$ 37,990	\$ 50,946	\$ 19,461
Motor Vehicle Highway	939	4,709	2,000	3,648	5,128	2,000	6,776
Local Road And Street	2,753	1,321	-	4,074	1,463	3,638	1,899
Motor Vehicle Restricted #2	464	2,832	-	3,296	3,409	-	6,705
Cumulative Capitol Improvement	768	277	-	1,045	319	-	1,364
RIVERBOAT	1,599	799	-	2,398	-	-	2,398
Corona Virus Relief Fund	-	-	-	-	28,646	-	28,646
Totals	<u>\$ 13,904</u>	<u>\$ 54,266</u>	<u>\$ 21,292</u>	<u>\$ 46,878</u>	<u>\$ 76,955</u>	<u>\$ 56,584</u>	<u>\$ 67,249</u>