

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

**Paul D. Joyce, CPA
State Examiner**

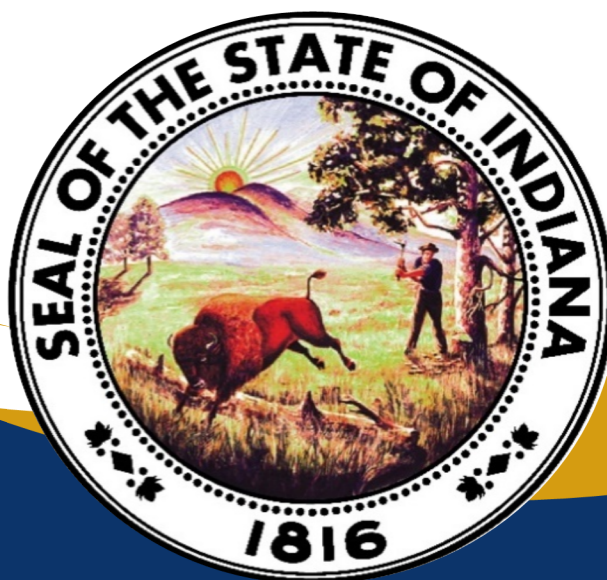
COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF SALTILLO

WASHINGTON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

01/10/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Naomi Woods	01-01-20 to 12-31-24
President of the Town Council	Mike Woods	01-01-20 to 12-31-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE TOWN OF SALTILLO, WASHINGTON 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 Saltillo (Town), for the period of January 1, 2020 to December 31, 2023. 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 Naomi Woods, Clerk-Treasurer, and James Williams, Town Council member, on December 18, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 21, 2024

TOWN OF SALTILLO
COMMENT

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The lack of effective internal controls resulted in noncompliance over monthly and annual uploads.

The files and governmental unit information that are required to be uploaded monthly include the bank reconcilements, approved Town Council minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end investments statements, detail of receipt activity, detail of disbursement activity, current year salary ordinance, annual vendor history report, annual funds ledger, annual payroll history report - without social security numbers, accounts payable/receivable schedule support, direct federal grant agreements/award letters and amendments initiated during the year, agreements for subawards made to subrecipients for all federal grants initiated during the year, and personnel policy.

The Town did not comply with the State Examiner Directive and failed to upload any of the monthly and annual files on the Indiana Gateway for Government Units financial reporting system for 2020, 2021, 2022, and 2023.

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. . . ."

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)

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)



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

TOWN OF SALTILLO
 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	\$ 3,317	\$ 993	\$ 1,927	\$ 2,383	\$ 1,743	\$ 1,855	\$ 2,271
Motor Vehicle Highway	16,072	1,746	1,812	16,006	1,951	1,812	16,145
Local Road And Street	9,584	1,756	-	11,340	1,939	-	13,279
Motor Vehicle Highway - Restricted	1,980	1,746	-	3,726	1,951	-	5,677
Cumulative Capital Improvement	7,533	744	-	8,277	637	-	8,914
LOIT-Public Safety	23	48	-	71	52	-	123
LFR -ARP Grant	-	-	-	-	10,273	-	10,273
Cemetery	4,873	1,362	2,500	3,735	3,589	3,000	4,324
Totals	<u>\$ 43,382</u>	<u>\$ 8,395</u>	<u>\$ 6,239</u>	<u>\$ 45,538</u>	<u>\$ 22,135</u>	<u>\$ 6,667</u>	<u>\$ 61,006</u>

TOWN OF SALTILLO
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General	\$ 2,270	\$ 2,701	\$ 2,127	\$ 2,844	\$ 1,704	\$ 2,463	\$ 2,085
Motor Vehicle Highway	16,145	1,972	1,826	16,291	2,024	2,346	15,969
Local Road And Street	13,279	2,019	-	15,298	2,083	1,800	15,581
Motor Vehicle Highway - Restricted	5,677	1,972	-	7,649	2,024	-	9,673
OPID Settlement #2	-	206	-	206	108	-	314
OPID Settlement	-	1	-	1	37	-	38
Cumulative Capital Improvement	8,915	700	500	9,115	695	-	9,810
LOIT-Public Safety	123	90	171	42	58	-	100
LFR -ARP Grant	10,273	10,350	-	20,623	-	-	20,623
Cemetery	4,324	2,078	2,750	3,652	4,702	3,200	5,154
Totals	<u>\$ 61,006</u>	<u>\$ 22,089</u>	<u>\$ 7,374</u>	<u>\$ 75,721</u>	<u>\$ 13,435</u>	<u>\$ 9,809</u>	<u>\$ 79,347</u>