

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

COMPLIANCE REPORT
OF
TOWN OF CEDAR GROVE
FRANKLIN COUNTY, INDIANA
January 1, 2014 to December 31, 2017



FILED
02/07/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Miller Jonna Brewer	01-01-12 to 05-31-17 06-01-17 to 12-31-19
President of the Town Council	Tom Brown	01-01-12 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CEDAR GROVE, FRANKLIN 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 Cedar Grove (Town), Franklin County, for the period of January 1, 2014 to December 31, 2017, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

December 20, 2018

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OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Town's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

TOWN OF CEDAR GROVE
 SCHEDULE OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

Fund	Cash and Investments 12-31-17
General	\$ 54,041
MVH	62,115
LRS	12,231
CCIF	13,347
EDIT	<u>14,240</u>
Total	<u>\$ 155,974</u>

CLERK-TREASURER
TOWN OF CEDAR GROVE
RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior Report B44727.

Depository reconciliations of the fund balances to the bank account balances were not conducted and the ending cash and investments balance was \$999 more than the ending bank balance, due to unidentified errors.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

A similar comment also appeared in prior Report B44727.

Town employees were paid without the Town withholding Social Security or Medicare taxes. Internal Revenue Service forms W-2, Wage and Tax Statements, were not presented for evaluation to show that compensation paid to employees was reported to the Internal Revenue Service.

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 CEDAR GROVE
RESULTS AND COMMENTS
(Continued)

LATE SUBMISSION OF CERTIFIED REPORT

A similar comment also appeared in prior Report B44727.

The Town's Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) for 2014, 2015, 2016, and 2017 was not filed electronically until March 27, 2015, March 2, 2016, February 25, 2017, and March 7, 2018, which was 55, 31, 25, and 35 days past the due date, respectively.

Indiana Code 5-11-13-1(a) states in part:

"Every . . . town . . . 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 each and all officers, employees, and agents...and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . . The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER SURETY BOND

A similar comment also appeared in prior Report B44727.

The Clerk-Treasurer had not obtained an individual Surety Bond during the engagement period.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsections (b), (c), and (d), the following individuals shall file and maintain in place an individual surety bond during each year that the individual serves as an officer, employee, or contractor:

- (1) City judges, controllers, clerks, and clerk-treasurers. . . ."

CLERK-TREASURER
TOWN OF CEDAR GROVE
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2018, with Jonna Brewer, Clerk-Treasurer.

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TOWN COUNCIL
TOWN OF CEDAR GROVE

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TOWN OF CEDAR GROVE
RESULTS AND COMMENTS

ADOPTION OF INTERNAL CONTROL STANDARDS

The Town had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

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

"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. . . ."

TRAINING ON INTERNAL CONTROL STANDARDS

Town employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Town, had not received training over internal control standards developed or approved by the Indiana State Board of Accounts.

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

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

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

TOWN COUNCIL
TOWN OF CEDAR GROVE
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2018, with Tom Brown, President of the Town Council.