

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

SPECIAL COMPLIANCE REPORT
OF

SCHOOL CORPORATION TREASURER
CANNELTON CITY SCHOOL CORPORATION
PERRY COUNTY, INDIANA

July 1, 2018 to April 30, 2022



FILED
01/04/2023

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CANNELTON CITY SCHOOL
CORPORATION, PERRY COUNTY, INDIANA

This is a special compliance report for the Cannelton City School Corporation (School Corporation), for the period July 1, 2018 to April 30, 2022, and is in addition to any other report for the School Corporation as required under Indiana Code 5-11-1. All reports pertaining to the School Corporation may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with penalties, interest, and other charges paid. 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 Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

June 20, 2022

SCHOOL CORPORATION TREASURER
CANNELTON CITY SCHOOL CORPORATION
RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

A similar comment also appeared in prior Report B52481.

Condition and Context

Melissa Embry (Embry), School Corporation Treasurer, was responsible for the timely submission of payroll withholding tax payments. The School Corporation paid penalties and interest in the amount of \$2,867.75 to the Indiana Department of Revenue for late payments of state and local payroll withholding taxes for the tax periods of August, September, October, and December 2019, and August 2021.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

We requested that Embry reimburse the School Corporation \$2,867.75 for penalties and interest resulting from the late payment of state and local payroll withholding taxes. (See Summary of Charges, page 5)

OFFICIAL BOND COVERAGE AND ERRORS AND OMISSIONS INSURANCE

The School Corporation obtained the following official bond coverage for the School Corporation Treasurer and Linebacker Insurance Policy for errors and omissions committed by School Corporation employees:

| OFFICIAL BOND | | LINEBACKER INSURANCE POLICY | |
|----------------------|-----------|------------------------------------|--------------|
| Period | Coverage | Period | Coverage |
| 07-01-18 to 06-30-19 | \$ 30,000 | 05-18-18 to 05-18-19 | \$ 1,000,000 |
| 07-01-19 to 06-30-20 | 30,000 | 05-18-19 to 05-18-20 | 1,000,000 |
| 07-01-20 to 06-30-21 | 30,000 | 05-18-20 to 05-18-21 | 1,000,000 |
| 07-01-21 to 06-30-22 | 30,000 | 05-18-21 to 05-18-22 | 1,000,000 |

SCHOOL CORPORATION TREASURER
CANNELTON CITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2022, with Melissa Embry, School Corporation Treasurer; Alva L. Sibbitt, Jr., Superintendent of Schools; and John W. Young, President of the School Board.

SCHOOL CORPORATION TREASURER
 CANNELTON CITY SCHOOL CORPORATION
 SUMMARY OF CHARGES
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

| | Charges | Credits | Balance Due |
|--|-------------|---------|-------------|
| Melissa Embry, School Corporation Treasurer: | | | |
| Penalties, Interest, and Other Charges, page 3 | \$ 2,867.75 | \$ - | \$ 2,867.75 |
| Totals | \$ 2,867.75 | \$ - | \$ 2,867.75 |

This report was forwarded to the Office of the Indiana Attorney General.

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AFFIDAVIT

STATE OF INDIANA)
)
MARION COUNTY)

I, Ryan Barwe, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Cannelton City School Corporation, Perry County, Indiana, for the period from July 1, 2018 to April 30, 2022, is true and correct to the best of our knowledge and belief.

Ryan Barwe
Field Examiner

Subscribed and sworn to before me this 4th day of January, 2023

Juanita M. Hendricksen
Notary Public

My Commission Expires: Oct 19, 2023

County of Residence: HENDRICKS

