



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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August 2, 2023

TO: THE OFFICIALS OF MONTGOMERY TOWNSHIP, OWEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Montgomery Township (Township), Owen County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Bank reconciliations were being performed but contained material differences at December 31, 2021 and 2022. This appears to be due to a local distribution that was not receipted into the ledger for 2021.

Bank Statements with noted outstanding checks were uploaded to the Indiana Gateway for Government Units (Gateway) financial reporting system by the unit for the annual years ending December 31, 2020, 2021, and 2022. Likewise, monthly bank statements, including handwritten reconciliations, were uploaded for the haphazard testing selections of February 2020, March 2021, June 2021, August 2022, and October 2022. However, none of the statements reconciled the adjusted bank balance to the financial records for the corresponding periods. Specifically, bank balances and handwritten funds ledgers do not agree with the annual ledger uploaded to Gateway, nor the financial records and reports. Reconciliation was, therefore, not accomplished for the months and years noted above.

Criteria

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."

TIMELY RECORDING OF RECEIPTS

Condition and Context

The General Property Tax Disbursements totaling \$15,923 were distributed to the unit in 2021, of which only \$10,025 was properly recorded in the 2021 ledger.

Criteria

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 51-15-1-1.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The Township did not comply with the State Examiner Directive and failed to upload some of the required monthly and annual uploads to the Indiana Gateway for Government Units (Gateway) financial reporting in 2019, 2020, 2021, and 2022. Specifically:

- The Township did not upload any of the monthly or annual files on Gateway for 2019.
- The Township did not upload any of the monthly or annual files - with the exception of the month of June 2020 - on Gateway for 2020.
- The Township did not upload the July - December monthly files nor any of the annual files on Gateway for 2021.
- The Township did not upload any of the monthly or annual files - with the exception of the month of June 2022 - on Gateway for 2022.

Criteria

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 Townships, Chapter 1)

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

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.

The Schedule of Cash and Investment Balances - Regulatory Basis 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.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 14,037
Township Assistance	8,366
Fire Fighting	4,497
Rainy Day	<u>1,026</u>
Total	<u>\$ 27,926</u>

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

The contents of this report were communicated to the Sue Carpenter, Trustee; Frank Broniszweski, Chair of the Township Board, and Janet Long, Township Board member, on July 18, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner