



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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August 30, 2023

TO: THE OFFICIALS OF RAILROAD TOWNSHIP, STARKE COUTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Railroad Township (Township), Starke 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](http://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***

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The same comment appeared in prior Report B55373.

***Condition and Context***

The Township incorrectly certified on their Annual Financial Report that they had adopted an internal control policy and that personnel had been trained on internal control standards.

***Criteria***

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

"The state examiner shall require from every audited entity financial reports 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**

The same comment appeared in prior Report B55373.

### *Condition and Context*

The Township did not adopt an internal control standards policy as defined by the Indiana State Board of Accounts or train personnel concerning the internal control standards.

### *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."

## **ADOPTION OF TOWNSHIP ASSISTANCE STANDARDS**

The same comment appeared in prior Report B55373.

### *Condition and Context*

The Township did not establish or adopt Township Assistance Standards.

### *Criteria*

The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household. The township's standards for the issuance of township assistance and the processing of applications must be:

1. Governed by the requirements of this article (IC 12-20);
2. Proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
3. Reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
4. Published in a single written document, including addenda attached to the document; and
5. Posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed.

(Accounting And Uniform Compliance Guidelines Manual for Townships, Chapter 6)

## **CAPITAL ASSETS**

### *Condition and Context*

The Township did not establish or adopt a capital assets policy.

*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 Townships, Chapter 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	\$ 162,695
Township Assistance	28,332
Fire Fighting	270,607
Rainy Day	4,318
Cumulative Fire	<u>19,986</u>
Total	<u>\$ 485,938</u>

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

The contents of this report were communicated to Katherine Chaffins, Trustee, on August 16, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner

# **RAILROAD TOWNSHIP TRUSTEE**

**KATHERINE CHAFFINS**

**6960 W 250S**

**NORTH JUDSON, IN 46366**

**574-806-0142**

**574-806-0682**

**August 21, 2023**

**I am writing this letter in addition to Form 4 of the last Railroad Township Audit. The SBOA advised that Railroad Township should obtain a Capital Asset Ledger, Township Assistance Standards Policy, an Internal Controls Standards Policy and receive Internal Controls training.**

**Railroad Township is responding to this request by adopting a Capital Asset Reporting Policy at their meeting on August 20, 2023. The also approved a draft of the Railroad Township Assistance Standards Policy. The final copy will be presented to the Board at their Sept. 24<sup>th</sup> meeting. In addition, the draft of the Internal Controls Policy will be presented to the Board at their Sept. 24<sup>th</sup> meeting and the final adoption will be presented to their next meeting.**

**In regard to obtaining training for Internal Controls, I have watched the Internal Controls Standards Training video and completed my training document and submitted it to the SBOA. For the record, I had previously watched that video but did not submit the certification document, so my training had not been documented. I now know the proper way to document Internal Controls Training and will complete more training in the future.**

**Sincerely,**

*Katherine Chaffins*

**Katherine Chaffins,  
Railroad Township Trustee**