



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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December 13, 2023

TO: THE OFFICIALS OF ST. MARY'S TOWNSHIP, ADAMS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of St. Mary's Township (Township), Adams 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

Depository reconciliations of the fund balances to the bank account balances were not conducted during the engagement period. Due to the lack of reconciliations, the Township's ending cash and investments fund balances as of December 31 were less than the adjusted bank balances for each year as follows:

<u>Years</u>	<u>Amounts</u>
2019	\$ 1,164
2020	32
2021	501
2022	15

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."

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 Townships, Chapter 1)

COMPENSATION AND BENEFITS

Condition and Context

The Township did not provide an annual salary resolution, ordinance, or any other documentation that set and approved the salaries of Township officers and employees during the engagement period.

Criteria

Indiana Code 36-6-6-10(c) states in part: "The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule. . . ."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONTRACTS

Condition and Context

The Township made payments for mowing services that were not supported by a written contract.

Criteria

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CAPITAL ASSETS

Condition and Context

The Township did not adopt a capital assets policy that detailed the threshold at which an item is considered a capital asset, complete a physical inventory of capital assets, or prepare a detailed listing of capital assets.

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)

RECEIPT ISSUANCE

Condition and Context

The Township did not retain any supporting documentation for rental or cemetery receipts, which prevented us from determining whether receipts were issued and recorded at the time of the transaction.

Criteria

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ADOPTION OF INTERNAL CONTROL STANDARDS

Condition and Context

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

Criteria

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; . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

A similar comment also appeared in prior Report B55218, entitled *CERTIFICATION AND TRAINING ON INTERNAL CONTROL STANDARDS*.

Condition and Context

The Township incorrectly certified on the Annual Financial Report that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, the Township could not provide supporting documentation showing the adoption of the minimum 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](#)."

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

Condition and Context

The Township had not uploaded all required monthly and annual engagement uploads for 2019, 2020, 2021, and 2022 into the Indiana Gateway for Government Units financial reporting system.

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)

The following files and governmental unit information are required to be uploaded monthly by Townships:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually:

- Year-end Investment Statements
- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule) and Amendments
- Annual Vendor History Report
- Annual Payroll History Report without social security numbers
- Annual Funds Ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

(Township Bulletin and Uniform Compliance Guidelines, December 2020)

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

<u>Fund</u>	<u>Cash and Investments 12-31-22</u>
Township	\$ 23,573
Park And Recreation	39,793
Township Assistance	56,190
Fire Fighting	16,195
Cemetary Gift	<u>19,125</u>
Total	<u>\$ 154,876</u>

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

The contents of this report were communicated to Megan Clouse, Trustee, on November 30, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner

12/10/2023

I, Megan Clouse was not the trustee during the time of 2019-2022 audit. I am aware of what was missing from the audit and will do better at making sure what is needed is provided.

Thanks,

Megan Clouse