



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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November 30, 2023

TO: THE OFFICIALS OF ELMORE TOWNSHIP, DAVIESS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Elmore Township (Township), Daviess 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***

***ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS***

The same comment also appeared in prior Report B54816.

***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.

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

*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."

**ANNUAL FINANCIAL REPORT - LATE SUBMISSION**

*Condition and Context*

The Township's Annual Financial Report for 2019, 2020, 2021, and 2022 were not filed electronically until March 12, 2020, March 15, 2021, March 23, 2022, and March 29, 2023, which was 11, 13, 21, and 27 days past the due date, respectively.

*Criteria*

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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](#)."

**BANK ACCOUNT RECONCILIATIONS**

The same comment also appeared in prior Report B54816.

*Condition and Context*

Depository reconciliations of the fund balances to the bank account balances were not conducted on a monthly basis. Year-end depository reconciliations were presented for review in 2019, 2020, 2021, and 2022, but they did not include all bank accounts.

Additionally, reconciled bank accounts did not agree with reported cash and investments as shown in the table below:

<u>Fiscal Year End</u>	<u>Reconciled Bank Accounts</u>	<u>Reported Cash and Investments</u>	<u>Difference</u>
December 31, 2019	\$ 158,844	\$ 161,908	\$ (3,064)
December 31, 2020	178,740	177,577	1,163
December 31, 2021	198,392	192,164	6,228
December 31, 2022	212,015	209,952	2,063

### *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 or ordinance, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees during the engagement period.

### *Criteria*

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)

The type of format for recording these salaries should be the existing form of Township Form 17 Resolution Recommending Salaries of Township Officers and Employees. The salaries so fixed shall be recorded in the township board minutes. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

## **MONTHLY AND ANNUAL ENGAGEMENT UPLOADS**

### *Condition and Context*

As of November 14, 2023, the Township had not uploaded all required monthly and annual engagement uploads for 2019, 2020, 2021, 2022, and year-to-date 2023 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1.

### *Criteria*

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)

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (State Examiner Directive 2018-1, Updated November 5, 2020, and effective with uploads due February 14, 2021)

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 and Register of Investments, General Form 350 (for County Treasurers)
- Excel Data Capture/Data Dump (no longer optional)
- Detail of Receipts by fund and account (if Data Capture not available)
- Detail of Disbursements by fund and account (if Data Capture not available)
- Current year Salary Ordinance (or Schedule) and Amendments (except Schools)
- 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
- Accounts Payable/Accounts Receivable Schedule support
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year
- Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year
- Contracts for Mowing and Fire Protection

(Amended State Examiner Directive 2018-1)

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)

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  
As of December 31, 2022

Fund	Cash and Investments 12-31-22
Township General Fund	\$ 23,561
Township Assistance Fund	23,736
Firefighting Fund	15,633
Ley Excess Fund	737
Cumulative Fire Fund	145,707
Ketchem Cemetery Inv. Fund	<u>578</u>
Total	<u>\$ 209,952</u>

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

The contents of this report were communicated to Joshua M. Dove, Trustee, on November 14, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner