

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

**Paul D. Joyce, CPA  
State Examiner**

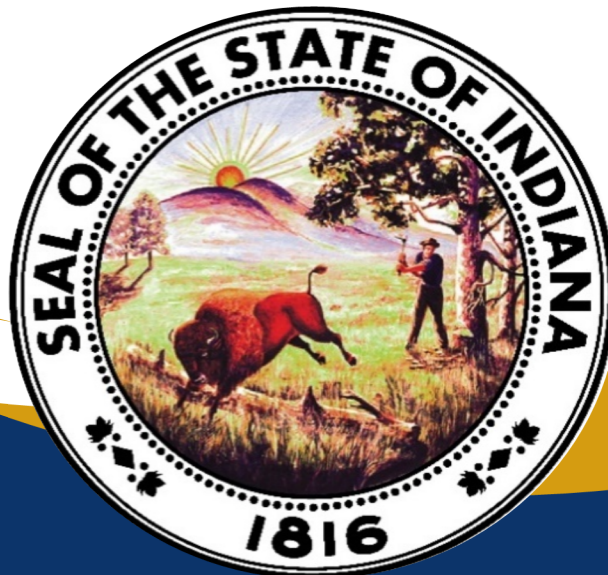
COMPLIANCE ENGAGEMENT REPORT

OF

PRAIRIE TOWNSHIP

LA PORTE COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**

12/27/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert Younggreen	01-01-19 to 12-31-24
Chair of the Township Board	Daniel Meder	01-01-19 to 12-31-22
	Sherry Younggreen	01-01-23 to 12-31-24



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF PRAIRIE TOWNSHIP, LA PORTE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Prairie Township (Township), for the period of January 1, 2019 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Robert Younggreen, Trustee, and Shawnda Nelson, Township Board member, on November 26, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 25, 2024

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

Internal controls were not in place to ensure the Township complied with laws, regulations, and guidelines over the annual financial report, conflict of interest - disclosure of related-party transactions, capital assets, donations, 100R - certified report filed after due date, adoption of internal control standards, training on internal control standards, and certification on internal control standards as detailed further in the comments below.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

**ANNUAL FINANCIAL REPORT**

A similar comment appeared in a Management Letter addressed to the Officials of the Township, for the compliance period ending December 31, 2018.

*Condition and Context*

The Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units financial reporting system for 2020, 2021, and 2022 contained errors and did not reflect the financial activity of the Township. The table below shows the misstatements by fund for each of these years:

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
 COMMENTS  
 (Continued)

Fund	Ending Cash and Investment Balance Over (Under) Reported		
	December 31, 2020	December 31, 2021	December 31, 2022
Township	\$ -	\$ -	\$ 1,747
Riverboat	(3,241)	(3,241)	(3,241)
Fire Fighting	-	-	(2,349)
Cumulative Fire Fund	-	-	(20)
Totals	<u>\$ (3,241)</u>	<u>\$ (3,241)</u>	<u>\$ (3,864)</u>

Additionally, the Township's AFR for 2022 was not filed electronically until April 4, 2023, which was 33 days past the due date.

*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](#)."

**CONFLICT OF INTEREST DISCLOSURE OF RELATED-PARTY TRANSACTIONS**

*Condition and Context*

Robert Younggreen, Trustee, received \$960 and \$1,260 in 2019 and 2022, respectively, for mowing Township properties. Based upon the circumstances, the Indiana State Board of Accounts would have expected to receive a conflict of interest disclosure for this related-party transaction. There were none on file during the period that covered this matter.

*Criteria*

Indiana Code 35-44.1-1-4(d) states in part:

"A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
COMMENTS  
(Continued)

(6) be filed within fifteen (15) days after final action on the contract or purchase with:

(A) the state board of accounts; and

(B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

Conflict of interest disclosures must be completed on Gateway.

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

## **CAPITAL ASSETS**

### *Condition and Context*

For 2022, the Township reported a total of \$130,624 in capital assets on its Annual Financial Report submitted in the Indiana Gateway for Government Units financial reporting system. However, the Township did not have a capital asset policy detailing the threshold at which an item is considered a capital asset. Additionally, the Township was unable to provide evidence that it maintained a complete detailed listing of all capital assets owned which reflects their acquisition value or that a complete physical inventory was taken at least every two years.

### *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)

## **DONATIONS**

### *Condition and Context*

During 2022, the Township made a \$3,000 donation to the Lacross Lions Club for the Lions Park Veterans Memorial Park Project.

### *Criteria*

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
COMMENTS  
(Continued)

**100R - CERTIFIED REPORT FILED AFTER DUE DATE**

*Condition and Context*

The Township's Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for 2022 was not filed electronically until March 11, 2023, which was 39 days past the due date.

*Criteria*

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

**ADOPTION OF INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B53991.

*Condition and Context*

The Township could not provide evidence that it had 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; . . ."

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Township was unable to provide documentation that required personnel received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
COMMENTS  
(Continued)

*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: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B53991.

*Condition and Context*

The Township certified on the Indiana Gateway for Government Units financial reporting system that it had adopted the minimum internal control standards as defined by the Indiana State Board of Accounts, and that required personnel had received training over internal control standards developed or approved by the Indiana State Board of Accounts. However, evidence could not be provided that the Township had adopted the minimum internal control standards or that required personnel had received training.

*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](#)."



STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Township	\$ 72,053	\$ 25,566	\$ 25,926	\$ 71,693	\$ 26,573	\$ 23,263	\$ 75,003
Riverboat	47,544	5,287	-	52,831	4,663	-	57,494
Township Assistance	25,462	-	-	25,462	-	-	25,462
Fire Fighting	17,476	42,948	38,000	22,424	44,748	38,000	29,172
Rainy Day	2,229	-	-	2,229	-	-	2,229
Excess Levy Fund	515	-	-	515	-	-	515
Cumulative Fire Fund	66,609	9,932	3,500	73,041	9,776	10,862	71,955
School General	4,349	-	-	4,349	-	-	4,349
Totals	<u>\$ 236,237</u>	<u>\$ 83,733</u>	<u>\$ 67,426</u>	<u>\$ 252,544</u>	<u>\$ 85,760</u>	<u>\$ 72,125</u>	<u>\$ 266,179</u>

PRAIRIE TOWNSHIP, LA PORTE COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-21	Receipts	Disbursements	12-31-21	Receipts	Disbursements	12-31-22
Township	\$ 75,003	\$ 28,510	\$ 20,839	\$ 82,674	\$ 28,503	\$ 26,386	\$ 84,791
Riverboat	57,494	3,797	-	61,291	9,345	-	70,636
Township Assistance	25,462	-	-	25,462	-	-	25,462
Fire Fighting	29,171	47,481	38,000	38,652	48,102	38,000	48,754
Rainy Day	2,229	-	-	2,229	-	-	2,229
Excess Levy Fund	515	-	-	515	-	-	515
Cumulative Fire Fund	71,955	9,268	-	81,223	9,141	28,541	61,823
School General	4,349	-	-	4,349	-	-	4,349
Totals	<u>\$ 266,178</u>	<u>\$ 89,056</u>	<u>\$ 58,839</u>	<u>\$ 296,395</u>	<u>\$ 95,091</u>	<u>\$ 92,927</u>	<u>\$ 298,559</u>