

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

COMPLIANCE ENGAGEMENT REPORT

OF

MEDINA TOWNSHIP

WARREN COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**  
11/12/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Dann Keiser	01-01-19 to 12-31-24
Chair of the Township Board	Regina Sundqvist	01-01-19 to 12-31-24



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
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TO: THE OFFICIALS OF MEDINA TOWNSHIP, WARREN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Medina Township (Township), for the period of January 1, 2019 to December 31, 2023. 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 Dann Keiser, Trustee, and Regina Sundqvist, Chair of the Township Board, on October 2, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 21, 2024

MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS

**CAPITAL ASSETS**

*Condition and Context*

Internal controls were not in place to ensure a capital asset policy was adopted. The Township did not adopt a capital asset policy that detailed the threshold at which an item is considered a capital asset. In addition, the Township did not properly maintain a complete inventory of capital assets owned by the Township. There were no capital asset records presented for the engagement to support the capital assets reported on the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system. The Township reported \$38,000 of capital assets as of December 31, 2023, in its AFR.

*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 detailed 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)

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. . . ."

**BANK ACCOUNT RECONCILIATIONS**

A similar comment appeared in prior Report B48192, and the same comment appeared in prior Report B55136, entitled *DEPOSITORY REONCILIATIONS*.

*Condition and Context*

Internal controls were not in place to ensure that bank reconciliations were completed. Bank reconciliations of fund balances to bank account balances were not presented for the engagement period of January 1, 2019 to December 31, 2023.

MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

*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."

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:

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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. . . ."

**CERTIFIED REPORT FILED AFTER DUE DATE**

*Condition and Context*

Internal controls were not in place to ensure the Township complied with reporting requirements. The Township's Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (Form 100R) for 2019 was not filed electronically until February 18, 2020, which was 18 days past the due date. The 100R for 2021 was not filed electronically until February 1, 2022, which was a day past the due date, and the 100R for 2023 was not filed electronically until February 29, 2024, which was 29 days past the due date.

*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:

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MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

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. . . ."

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](#)."

## **MONTHLY AND ANNUAL UPLOADS**

### *Condition and Context*

Internal controls were not in place to ensure compliance with State Examiner Directive 2018-1. The Township failed to upload into the Indiana Gateway for Government Units financial reporting system the required monthly and annual files for 2019 through 2023.

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

- Bank reconcilements.
- Bank Statements (effective for the required upload beginning with December 2020 information).
- Outstanding Check Lists (effective for the required upload beginning with December 2020 information).
- Approved Township Board minutes.
- Funds ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund (beginning and ending balances effective for the required uploads beginning with December 2020 information).

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

- Year-end bank statement (no longer required after 2019 annual uploads).
- Year-end outstanding check list (no longer required after 2019 annual uploads).
- Year-end investment statements.
- Detail of receipts for the year.
- Detail of disbursements for the year.

MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

- Current year salary ordinance (and Amendments effective beginning with annual uploads of 2020 information).
- Annual vendor history report.
- Annual employee earnings record/payroll history report without social security numbers (unless only hand posted records exist).
- Annual funds ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund (effective beginning with 2020 information).

*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)

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15<sup>th</sup> of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. For schools and extra-curricular accounts, this is effective for year ending June 30, 2021, which will be due August 29, 2021. Thereafter, annual files must be uploaded no later than March 1<sup>st</sup> (August 29<sup>th</sup> for schools and extra-curricular accounts) for the prior year end unless the SBOA establishes a different date.

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.

(Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

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:

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MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

**ADOPTION OF INTERNAL CONTROL STANDARDS**

*Condition and Context*

Internal controls were not in place to ensure that the Township complied with laws regarding internal controls. 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:

"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."

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 as set forth in the uniform compliance guidelines. 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](#)."

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:

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MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

Internal controls were not in place to ensure that the Township complied with laws regarding internal controls. The Township's certification on internal control standards was not made correctly for each year of the engagement period on the Indiana Gateway for Government Units (Gateway) financial reporting system. The certification asserts that the Township adopted internal control standards; however, the Township had not adopted internal control standards.

The Township certified on Gateway that appropriate personnel were trained on the internal control standards. However, the Township did not provide evidence that internal control training was completed during the engagement period for one of the Township Board members.

*Criteria*

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

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**TOWNSHIP ASSISTANCE**

*Condition and Context*

Internal controls were not in place to ensure the Township complied with the Township Assistance requirements. One of the ten Township applications tested was not adequately completed by the applicant. The Trustee did not document the investigation of the applications or use the prescribed form Township Assistance Action (TA-1A) for any of the items tested. One of the applications tested did not have supporting documentation to support the Township Assistance amount paid. Three of the Township applications tested didn't meet the Township standards for assistance.

MEDINA TOWNSHIP, WARREN COUNTY  
COMMENTS  
(Continued)

*Criteria*

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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:

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

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MEDINA TOWNSHIP, WARREN 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	\$ 49,617	\$ 15,626	\$ 13,461	\$ 51,782	\$ 14,703	\$ 13,527	\$ 52,958
Township Assistance	20,361	4,013	3,757	20,617	4,125	2,424	22,318
Fire Fighting	14,499	8,177	7,029	15,647	9,538	9,000	16,185
Rainy Day	23	-	-	23	-	-	23
Levy Excess	905	190	-	1,095	1	-	1,096
Totals	<u>\$ 85,405</u>	<u>\$ 28,006</u>	<u>\$ 24,247</u>	<u>\$ 89,164</u>	<u>\$ 28,367</u>	<u>\$ 24,951</u>	<u>\$ 92,580</u>

MEDINA TOWNSHIP, WARREN 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 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Township	\$ 52,958	\$ 21,236	\$ 43,999	\$ 30,195	\$ 23,088	\$ 13,410	\$ 39,873
Township Assistance	22,320	6,325	14,167	14,478	4,846	901	18,423
Fire Fighting	16,185	3,494	19,707	(28)	9,823	9,472	323
Rainy Day	23	42,014	-	42,037	16	-	42,053
Levy Excess	1,095	319	-	1,414	1	-	1,415
Totals	<u>\$ 92,581</u>	<u>\$ 73,388</u>	<u>\$ 77,873</u>	<u>\$ 88,096</u>	<u>\$ 37,774</u>	<u>\$ 23,783</u>	<u>\$ 102,087</u>

MEDINA TOWNSHIP, WARREN COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Township	\$ 39,874	\$ 24,964	\$ 13,259	\$ 51,579
Township Assistance	18,424	4,886	1,066	22,244
Fire Fighting	325	1,206	-	1,531
Rainy Day	42,053	398	-	42,451
Levy Excess	1,415	3	-	1,418
Totals	<u>\$ 102,091</u>	<u>\$ 31,457</u>	<u>\$ 14,325</u>	<u>\$ 119,223</u>