

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

FLORIDA TOWNSHIP

PARKE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

03/28/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steve Rukes Karen Rusk	01-01-20 to 12-31-20 01-01-21 to 12-31-25
Chair of the Township Board	Vickie Whitsell	01-01-20 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF FLORIDA TOWNSHIP, PARKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Florida Township (Township), for the period of January 1, 2020 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 Karen Rusk, Trustee; Vickie Whitesell, Chair of the Township Board; and Connie Shattuck, Township Board member, on January 12, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 19, 2024

FLORIDA TOWNSHIP, PARKE COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal controls were not in place to ensure that the Township complied with laws and regulations related to the following areas:

- Annual Financial Report - Other Information
- Advance Payments
- Contracts

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 - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. Because of the lack of internal controls, the Accounts Payable/Receivable information entered into Gateway was understated by \$36,769. It did not include the December 2023 distribution of property and license excise tax from the County Auditor which was not received until January 2024.

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 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](#)."

FLORIDA TOWNSHIP, PARKE COUNTY
COMMENTS
(Continued)

ADVANCE PAYMENTS

Condition and Context

Each year of the engagement period the Township Board received its annual salary in November, which was one month in advance of all time worked.

Criteria

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

CONTRACTS

Condition and Context

The Township entered into a contract for mowing the park. The contract stipulates that the park should be mowed weekly not to exceed four mowings per month. In August 2023, the Township paid for the park to be mowed five times. There was no documentation showing that the fifth payment was approved.

In September 2023, an additional \$80 was paid to the individual who was performing the mowing. This payment was for a fifth mowing plus some additional work. The contract was not amended and there was no supporting documentation provided for the additional payment.

The Township entered into another contract for the mowing of all Township cemeteries. The contract dictated that the contractor be paid \$1,070 per month for all cemeteries in the Township. In August 2023, an additional \$80 was paid for mowing expenses. There was no documentation to support the additional payment.

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)

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

FLORIDA TOWNSHIP, PARKE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
TOWNSHIP GENERAL	\$ 57,566	\$ 42,379	\$ 39,283	\$ 60,662	\$ 19,257	\$ 36,668	\$ 43,251
PARKS AND RECREATION	14,161	7,548	6,840	14,869	11,299	1,865	24,303
TOWNSHIP ASSISTANCE	30,318	-	1,891	28,427	11,299	56	39,670
FIREFIGHTING	102,016	63,331	81,799	83,548	73,202	31,000	125,750
Rainy Day	9,885	-	3,045	6,840	-	-	6,840
CUMULATIVE FIRE	80,032	26,225	60,000	46,257	25,472	-	71,729
ADAMS CEMETARY	242	-	242	-	-	-	-
PAYROLL DEDUCTIONS	-	2,977	2,977	-	2,753	2,753	-
Totals	<u>\$ 294,220</u>	<u>\$ 142,460</u>	<u>\$ 196,077</u>	<u>\$ 240,603</u>	<u>\$ 143,282</u>	<u>\$ 72,342</u>	<u>\$ 311,543</u>

FLORIDA TOWNSHIP, PARKE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
TOWNSHIP GENERAL	\$ 43,251	\$ 65,263	\$ 32,927	\$ 75,587	\$ 66,203	\$ 33,266	\$ 108,524
PARKS AND RECREATION	24,303	12,469	1,480	35,292	8,306	1,420	42,178
TOWNSHIP ASSISTANCE	39,670	2	-	39,672	-	160	39,512
FIREFIGHTING	125,750	42,307	46,887	121,170	18,245	41,701	97,714
Rainy Day	6,840	-	-	6,840	-	-	6,840
CUMULATIVE FIRE	71,729	25,883	-	97,612	17,736	9,976	105,372
PAYROLL DEDUCTIONS	-	2,075	2,075	-	2,214	1,458	756
Totals	<u>\$ 311,543</u>	<u>\$ 147,999</u>	<u>\$ 83,369</u>	<u>\$ 376,173</u>	<u>\$ 112,704</u>	<u>\$ 87,981</u>	<u>\$ 400,896</u>