

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

COMPLIANCE ENGAGEMENT REPORT

OF

GREENE TOWNSHIP

ST. JOSEPH COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

10/03/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra Ort	01-01-19 to 12-31-24
Chair of the Township Board	Shane Whitmer	01-01-19 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF GREENE TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Greene 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 Sandra Ort, Trustee, and Shane Whitmer, Chair of the Township Board, on August 29, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 27, 2024

GREENE TOWNSHIP, ST. JOSEPH COUNTY  
COMMENTS

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Internal controls were not in place to ensure the bank reconciliations were completed with no variance. The Township had variances present between cash and investments and bank statements in each year of the audit period. The variances ranged from \$1,065 to \$4,432. Variances were due to CD interest not on the unit ledger 2019 - 2021. Variances in 2022 - 2023 were due to a disbursement recorded twice on the unit ledger.

Month/Year	Reconciled Bank Balance	Cash and Investment Balances per Accounting Records	Variance
December 2019	\$ 450,389	\$ 449,191	\$ (1,198)
December 2020	530,735	529,424	(1,311)
December 2021	636,044	634,978	(1,066)
December 2022	822,223	817,790	(4,433)
December 2023	934,935	931,544	(3,391)

*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."

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

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. . . .

GREENE TOWNSHIP, ST. JOSEPH 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. . . ."

## **MONTHLY AND ANNUAL UPLOADS**

### *Condition and Context*

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

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliations, approved Township Board minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, an annual vendor history report and contracts for mowing and fire protection.

### *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.

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)

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 Township, Chapter 1)

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GREENE TOWNSHIP, ST. JOSEPH COUNTY  
COMMENTS  
(Continued)

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**CAPITAL ASSETS**

*Condition and Context*

Internal controls were not in place to ensure the Township had a capital asset policy. The Township reported \$240,567 in capital assets at December 31, 2023.

*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)

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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GREENE TOWNSHIP, ST. JOSEPH 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	\$ 100,490	\$ 31,542	\$ 40,342	\$ 91,690	\$ 65,816	\$ 45,165	\$ 112,341
Park And Recreation	60,160	27,996	12,465	75,691	39,004	16,702	97,993
Township Assistance	24,928	2,277	1,549	25,656	65	1,499	24,222
Firefighting	321,015	250,212	344,225	227,002	386,738	353,814	259,926
Rainy Day	27,351	5,186	3,385	29,152	5,819	29	34,942
Totals	<u>\$ 533,944</u>	<u>\$ 317,213</u>	<u>\$ 401,966</u>	<u>\$ 449,191</u>	<u>\$ 497,442</u>	<u>\$ 417,209</u>	<u>\$ 529,424</u>

GREENE TOWNSHIP, ST. JOSEPH 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	\$ 112,340	\$ 48,616	\$ 41,441	\$ 119,515	\$ 42,182	\$ 49,250	\$ 112,447
Park And Recreation	97,992	42,150	29,393	110,749	45,019	33,243	122,525
Township Assistance	24,221	3,077	-	27,298	12,924	596	39,626
Firefighting	259,926	428,664	351,098	337,492	539,344	876,836	-
Rainy Day	34,942	5,357	375	39,924	503,268	471,912	71,280
Cumulative Bldg & Fire Fighting Fund	-	-	-	-	471,912	-	471,912
Totals	<u>\$ 529,421</u>	<u>\$ 527,864</u>	<u>\$ 422,307</u>	<u>\$ 634,978</u>	<u>\$ 1,614,649</u>	<u>\$ 1,431,837</u>	<u>\$ 817,790</u>

GREENE TOWNSHIP, ST. JOSEPH 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	\$ 112,445	\$ 98,276	\$ 45,664	\$ 165,057
Park And Recreation	122,523	44,269	20,147	146,645
Township Assistance	39,626	15,861	2,091	53,396
Rainy Day	71,280	5,795	-	77,075
Cumulative Bldg & Fire Fighting Fund	471,912	17,459	-	489,371
Totals	<u>\$ 817,786</u>	<u>\$ 181,660</u>	<u>\$ 67,902</u>	<u>\$ 931,544</u>