

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

COMPLIANCE ENGAGEMENT REPORT

OF

HARRISON TOWNSHIP

CASS COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
11/06/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Catherine Cree	01-01-20-12-31-24
Chair of the Township Board	Herd Crimmins	01-01-20-12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HARRISON TOWNSHIP, CASS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Harrison 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 Catherine Cree, Trustee; Brenda Rusk, Township Board member; and Paige Woodhouse, Township Board member, on October 16, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

October 2, 2024

HARRISON TOWNSHIP, CASS COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

The Township did not have segregation of duties. The Township did not have an effective system of internal controls in place to ensure compliance with the following items detailed in the comments below:

- Annual Uploads
- Prescribed Forms
- Capital Assets

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 UPLOADS

Condition and Context

The Township did not upload into the Indiana Gateway for Government Units financial reporting system all required annual files for each year of the engagement period.

The files and governmental unit information that are required to be uploaded annually for units with manual records include the year-end investment statements, current year salary ordinance and amendments, and annual funds ledger.

The following files and governmental unit information were not uploaded:

- Annual Funds Ledger (2020 and 2021)
- Year End Investment Statements (2020, 2021, and 2023)

HARRISON TOWNSHIP, CASS COUNTY
COMMENTS
(Continued)

Criteria

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 Townships, Chapter 1)

PRESCRIBED FORMS

Condition and context

The Township disbursed a total of \$17,559 in assistance from 2020 to 2023. The Township did not properly maintain the prescribed form Notice of Township Assistance Action (TA-1A) for the administration of Township Assistance as required.

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)

CAPITAL ASSETS

Condition and Context

The Township did not complete an inventory at least every 2 years as required. Documentation of the most recent inventory was not provided. The Township reported \$860,000 of capital assets in its December 31, 2023 Annual Financial Report filed on the Indiana Gateway for Government Units financial reporting system.

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)

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

HARRISON TOWNSHIP, CASS 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	\$ 36,225	\$ 15,416	\$ 12,167	\$ 39,474	\$ 22,013	\$ 11,980	\$ 49,507
Township Assistance	18,800	6,696	943	24,553	5,601	1,750	28,404
Fire Fighting	124,028	61,379	38,997	146,410	59,310	155,863	49,857
Rainy Day	-	-	-	-	-	-	-
Levy Excess	280	229	280	229	-	229	-
Cumulative Fire	69,405	7,436	40	76,801	7,241	-	84,042
Fire Donation Fund	464	100	-	564	-	-	564
Fire Savings Fund	100,122	246	-	100,368	199	-	100,567
Totals	<u>\$ 349,324</u>	<u>\$ 91,502</u>	<u>\$ 52,427</u>	<u>\$ 388,399</u>	<u>\$ 94,364</u>	<u>\$ 169,822</u>	<u>\$ 312,941</u>

HARRISON TOWNSHIP, CASS 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	\$ 48,210	\$ 20,129	\$ 12,985	\$ 55,354	\$ 25,692	\$ 13,439	\$ 67,607
Township Assistance	28,404	3,050	9,179	22,275	3,310	5,687	19,898
Fire Fighting	49,857	63,400	50,488	62,769	63,578	50,641	75,706
Levy Excess	-	160	160	-	-	-	-
Cumulative Fire	84,042	7,153	8,327	82,868	21,636	26,286	78,218
Fire Donation Fund	564	-	-	564	-	-	564
Fire Savings Fund	100,567	380	-	100,947	935	4	101,878
John Powlen Benevelance Fund	-	-	-	-	1,815	-	1,815
Totals	<u>\$ 311,644</u>	<u>\$ 94,272</u>	<u>\$ 81,139</u>	<u>\$ 324,777</u>	<u>\$ 116,966</u>	<u>\$ 96,057</u>	<u>\$ 345,686</u>