

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

PERRY TOWNSHIP

NOBLE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

05/14/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Barbara Donley	01-01-20 to 12-31-25
Chair of the Township Board	Kenneth Simmons	01-01-20 to 12-31-20
	Randy Kirkpatrick	01-01-21 to 12-31-21
	Kenneth Simmons	01-01-22 to 12-31-22
	Randy Kirkpatrick	01-01-23 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF PERRY TOWNSHIP, NOBLE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Perry 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 Barbara Donley, Trustee; Randy Kirkpatrick, Chair of the Township Board; and Kenneth Simmons, Secretary of the Township Board, on April 29, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 2, 2025

PERRY TOWNSHIP, NOBLE COUNTY
COMMENT

COMPENSATION AND BENEFITS

Condition and Context

Noble County, by ordinance, authorized the Trustee to retain an \$8 per non-motorized vehicle plate/sticker (buggy plate) transaction processing fee. The Trustee and Deputy Trustee retained the fee as part of their personal compensation, which resulted in the Trustee being paid a total of \$10,844 and the Deputy Trustee being paid a total of \$1,468 during the four-year engagement period as detailed below. The retention of buggy plate fees as personal compensation was not included in the Township Salary Resolution nor otherwise authorized by law. The compensation was processed through the payroll system of the Township and, therefore, was paid in a manner that would have facilitated compliance with state and federal reporting requirements.

- 2020: Trustee \$1,468; Deputy Trustee \$1,468
- 2021: Trustee \$3,000
- 2022: Trustee \$2,904
- 2023: Trustee \$3,472

The noncompliance was a result of a deficiency in internal controls over compensation and benefits.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (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. . . ."



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

PERRY TOWNSHIP, NOBLE 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 FUND	\$ 692,453	\$ 84,773	\$ 60,248	\$ 716,978	\$ 89,200	\$ 457,125	\$ 349,053
PARK & RECREATION FUND	30,889	5,299	4,100	32,088	5,034	4,100	33,022
TOWNSHIP ASSISTANCE	220,106	18,128	9,568	228,666	17,769	156,021	90,414
FIRE FIGHTING FUND	100,885	66,911	35,359	132,437	60,461	35,404	157,494
NON MOTORIZED VEHICLE PLATE	-	16,450	16,450	-	16,700	16,700	-
RAINY DAY FUND	43,284	-	5,000	38,284	-	5,000	33,284
EXCESS LEVY	267	194	267	194	-	194	-
CUMULATIVE FIRE FUND	110,738	29,958	164	140,532	582,224	-	722,756
PAYROLL DEDUCTIONS	-	11,283	11,283	-	11,302	11,302	-
Totals	<u>\$ 1,198,622</u>	<u>\$ 232,996</u>	<u>\$ 142,439</u>	<u>\$ 1,289,179</u>	<u>\$ 782,690</u>	<u>\$ 685,846</u>	<u>\$ 1,386,023</u>

PERRY TOWNSHIP, NOBLE 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 FUND	\$ 349,054	\$ 96,590	\$ 51,681	\$ 393,963	\$ 116,826	\$ 80,312	\$ 430,477
PARK & RECREATION FUND	33,024	5,579	4,100	34,503	5,235	4,100	35,638
TOWNSHIP ASSISTANCE	90,415	19,525	6,824	103,116	51,760	11,603	143,273
FIRE FIGHTING FUND	157,493	63,087	41,172	179,408	6,601	501	185,508
NON MOTORIZED VEHICLE PLATE	-	17,225	17,225	-	38,800	38,800	-
RAINY DAY FUND	33,284	-	5,400	27,884	-	-	27,884
EXCESS LEVY	-	-	-	-	458	-	458
CUMULATIVE FIRE FUND	722,756	37,326	548,446	211,636	87,985	389	299,232
PAYROLL DEDUCTIONS	-	9,793	9,793	-	6,557	6,557	-
Totals	<u>\$ 1,386,026</u>	<u>\$ 249,125</u>	<u>\$ 684,641</u>	<u>\$ 950,510</u>	<u>\$ 314,222</u>	<u>\$ 142,262</u>	<u>\$ 1,122,470</u>