

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

COMPLIANCE ENGAGEMENT REPORT

OF

ROCKCREEK TOWNSHIP

WELLS COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

06/11/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comments .....	5-12
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	15-17

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Phylian Keefer	01-01-19 to 12-31-22
	Nathanael Wilson	01-01-23 to 12-31-23
	Douglas Dohrman	01-01-24 to 12-31-24
Chair of the Township Board	Lindsay Burnau	01-01-19 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF ROCKCREEK TOWNSHIP, WELLS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Rockcreek 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 Douglas Dohrman, Trustee, and John Legge, Township Board member, on June 6, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

May 9, 2024

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

The following areas did not have proper internal controls in place to ensure compliance with laws, regulations, and Guidelines:

- Monthly and annual uploads to the Indiana Gateway for Government Units financial reporting system
- Capital assets
- Township assistance
- Township assistance standards
- Supporting documentation for disbursements
- Appropriations
- Bank reconciliations

*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. . . ."

**MONTHLY AND ANNUAL UPLOADS**

*Condition and Context*

The Township did not upload into the Indiana Gateway for Government Units financial reporting system any of the required monthly and annual files for 2019 through 2023 except the funds ledger and Township Board minutes for January 2023.

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

- Bank reconciliations
- Bank statements (effective for the required upload beginning with December 2020 information)

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS  
(Continued)

- 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
- 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*

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. (State Examiner Directive 2018-1)

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)

**CAPITAL ASSETS**

*Condition and Context*

The Township did not have a capital asset policy that detailed the threshold at which an item is considered a capital asset. The Township was unable to provide a complete capital asset listing for 2023.

The amount reported on the Indiana Gateway for Government Units financial reporting system for 2023 capital assets was \$614,590.

*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)

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS  
(Continued)

**TOWNSHIP ASSISTANCE**

*Condition and Context*

Prescribed forms are designed to fulfill the requirements of the law. The following deficiencies related to Township Assistance prescribed forms have been identified below:

- There was no documentation on the Application for Township Assistance Township Form TA-1 of investigation conducted to ensure that Township Assistance applicants met the requirements to receive aid.
- The Township did not provide any Township Forms TA-1A Notice of Township Assistance Action, for review.
- Four out of the five Township Assistance disbursements did not have the supporting Township Assistance Purchase Order, Township Form TA-2 signed by the vendor and client.

*Criteria*

Indiana Code 12-20-6-9 states:

"If an application for township assistance is made to the township trustee as administrator of township assistance, the township trustee, as administrator of township assistance, shall carefully investigate the circumstances of the applicant and each member of the applicant's household to ascertain the following:

- (1) Legal residence.
- (2) Names and ages.
- (3) Physical condition relating to sickness or health.
- (4) Present and previous occupation.
- (5) Ability and capacity to perform labor.
- (6) The cause of the applicant's or household member's condition if the applicant or household member is found to be in need and the cause can be ascertained.
- (7) Whether the applicant or a member of the applicant's household is entitled to income in the immediate future from any source, including the following:
  - (A) Past or present employment.
  - (B) A pending claim or cause of action that may result in a monetary award being received by any member of the applicant's household claiming to be in need.
  - (C) A pending determination for assistance from any other federal or state governmental entity.

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS  
(Continued)

- (8) The family relationships of the township assistance applicant.
- (9) Whether the township assistance applicant or members of the applicant's household have relatives able and willing to assist the applicant or a member of the applicant's household."

Indiana Code 12-20-6-8 states in part:

"(a) A township trustee shall promptly notify in writing each applicant for township assistance of action taken upon a completed application for township assistance. The trustee shall do the following:

- (1) Mail notice or provide personal notice not later than seventy-two (72) hours, excluding weekends and legal holidays listed in [IC 1-1-9](#), after the completed application is received, advising the applicant of the right to appeal an adverse decision of the trustee to the board of commissioners.
- (2) Include in the notice required under subdivision (1) the following:
  - (A) The type and amount of assistance granted.
  - (B) The type and amount of assistance denied or partially granted.
  - (C) Specific reasons for denying all or part of the assistance requested.
  - (D) Information advising the applicant of the procedures for appeal to the board of commissioners.

(b) A copy of the notice described in subsection (a) shall be filed with the recipient's application and affidavit in the trustee's office. . . ."

Indiana Code 12-20-20-1(a) states:

"If a township trustee, as administrator of township assistance, grants township assistance to an indigent individual or to any other person or agency on a township assistance order as provided by law or obligates the township for an item properly payable from township assistance money, the claim against the township must be:

- (1) itemized and sworn to as provided by law;
- (2) accompanied by the original township assistance order, which must be itemized and signed; and
- (3) checked with the records of the township trustee, as administrator of township assistance, and audited and certified by the township trustee."

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS  
(Continued)

**TOWNSHIP ASSISTANCE STANDARDS**

*Condition and Context*

The Township was unable to provide formalized standards for all years of the engagement.

*Criteria*

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed.

(c) The township trustee shall annually certify that the uniform written standards for the issuance of township assistance have been filed with the board of county commissioners as required under subsection (b)(2). The certification shall be noted in the township's budget submitted to the department of local government finance's computer gateway under [IC 6-1.1-17-3](#)."

Indiana Code 12-20-5.5-2 states:

"(a) Standards for the administration of township assistance must contain the following:

- (1) Criteria for determining township assistance eligibility.
- (2) Minimum requirements of township trustee accessibility.
- (3) Other information as needed, including the following:
  - (A) Township office locations, hours, and days of availability.
  - (B) Initial eligibility criteria.
  - (C) Continuing eligibility criteria.

ROCKCREEK TOWNSHIP, WELLS COUNTY  
COMMENTS  
(Continued)

- (D) Workfare requirements.
- (E) Essential and nonessential assets.
- (F) Available resources.
- (G) Income exemptions.
- (H) Application process.
- (I) Countable income.
- (J) Countable assets.
- (K) Wasted resources.

(b) Standards for the administration of township assistance must exclude a Holocaust victim's settlement payment received by an eligible individual from countable assets and countable income."

**SUPPORTING DOCUMENTATION**

*Condition and Context*

The following deficiencies regarding supporting documentation are noted as follows:

- Out of the 25 disbursements tested, 5 disbursements did not have documentation to support the amount and payee.
- All 25 disbursements did not have check images on the bank statements available for observation.

*Criteria*

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)

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Documentation was not provided for review to determine whether reconciliations were completely timely.

ROCKCREEK TOWNSHIP, WELLS 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."

**TRAINING ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B55252.

*Condition and Context*

The Township did not complete the internal control training for 2023.

*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."

**ADOPTION OF, AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B55252.

*Condition and Context*

The Township was unable to provide an internal control standards policy and incorrectly certified that the policy and all training was complete.

*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."

ROCKCREEK TOWNSHIP, WELLS COUNTY  
 COMMENTS  
 (Continued)

**APPROPRIATIONS**

*Condition and Context*

The Township's disbursements exceeded approved appropriations as shown in the table below.

Fund	2019			2020		
	Approved Appropriation	Actual Disbursement	Variance	Approved Appropriation	Actual Disbursement	Variance
Rainy Day	\$ 3,800	\$ 3,800	\$ -	\$ 148	\$ 148	\$ -
General	16,995	14,426	2,569	17,300	17,045	255
Township Assistance	7,000	1,000	6,000	7,000	800	6,200
EMS	39,000	39,000	-	39,000	5,681	33,319
Fire	28,000	41,287	(13,287)	28,000	18,744	9,256
Fire Equipment	-	-	-	23,889	150,863	(126,974)
Cumulative Fire	105,140	105,140	-	10,000	-	10,000
Totals	<u>\$ 199,935</u>	<u>\$ 204,653</u>	<u>\$ (4,718)</u>	<u>\$ 125,337</u>	<u>\$ 193,281</u>	<u>\$ (67,944)</u>

*Criteria*

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

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

(This page intentionally left blank.)

ROCKCREEK TOWNSHIP, WELLS 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	\$ 176,092	\$ 21,334	\$ 14,426	\$ 183,000	\$ 21,281	\$ 17,045	\$ 187,236
Ems	71,035	12,745	39,000	44,780	237	5,681	39,336
Township Assistance	83,099	426	1,000	82,525	237	800	81,962
Fire Fighting	35,820	27,206	41,287	21,739	28,792	18,744	31,787
Rainy Day Fund	3,948	-	3,800	148	-	148	-
Cumulative Fire	94,252	11,287	105,140	399	10,673	-	11,072
Fire Truck Loan	-	130,000	-	130,000	28,402	150,863	7,539
Totals	<u>\$ 464,246</u>	<u>\$ 202,998</u>	<u>\$ 204,653</u>	<u>\$ 462,591</u>	<u>\$ 89,622</u>	<u>\$ 193,281</u>	<u>\$ 358,932</u>

ROCKCREEK TOWNSHIP, WELLS 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	\$ 187,236	\$ 21,791	\$ 15,019	\$ 194,008	\$ 21,594	\$ 15,215	\$ 200,387
Ems	39,335	-	-	39,335	973	19,035	21,273
Township Assistance	81,963	-	200	81,763	-	300	81,463
Fire Fighting	31,787	26,773	20,032	38,528	24,385	24,080	38,833
Cumulative Fire	11,072	10,918	-	21,990	10,902	61	32,831
Fire Truck Loan	7,539	21,127	23,888	4,778	23,842	24,007	4,613
Totals	<u>\$ 358,932</u>	<u>\$ 80,609</u>	<u>\$ 59,139</u>	<u>\$ 380,402</u>	<u>\$ 81,696</u>	<u>\$ 82,698</u>	<u>\$ 379,400</u>

ROCKCREEK TOWNSHIP, WELLS 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	\$ 200,386	\$ 34,252	\$ 14,247	\$ 220,391
Ems	21,273	2,095	-	23,368
Township Assistance	81,463	-	900	80,563
Fire Fighting	38,833	25,477	18,126	46,184
Excess Levy Fund	205	-	-	205
Cumulative Fire	32,832	13,114	-	45,946
Fire Truck Loan	4,613	23,139	23,888	3,864
Totals	\$ 379,605	\$ 98,077	\$ 57,161	\$ 420,521