76567A

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

Paul D. Joyce, CPA
State Examiner

COMPLIANCE ENGAGEMENT REPORT

OF

NOBLE TOWNSHIP

WABASH COUNTY, INDIANA

January 1, 2020 to December 31, 2024

FILED
05/15/2025

TABLE OF CONTENTS

Description	Page
Schedule of Officials	2
Compliance Report	3
Comments	4-6
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	9-11
Exit Conference	12

SCHEDULE OF OFFICIALS

Office	Official	Term
Trustee	Lori J. Harnish	01-01-20 to 12-31-25
Chair of the Township Board	William Plummer	01-01-21 to 12-31-23
	Steve Kirtlan	01-01-24 to 12-31-25

Paul D. Joyce, CPA
State Examiner

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 NOBLE TOWNSHIP, WABASH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Noble Township (Township), for the period of January 1, 2020 to December 31, 2024. 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.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

May 7, 2025

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure compliance with requirements related to the Annual Financial Report (AFR). Financial and other information is required to be entered annually into the AFR via the Indiana Gateway for Government Units financial reporting system. The AFR contained the following errors:

Schedule of Capital Assets

A detailed listing of capital assets was provided for 2021 and 2022 but did not agree to amounts reported on the AFR.

- In 2021, total capital assets reported were $24,337 less than the detailed capital asset listing.
- In 2022, total capital assets reported were $1,159,568 more than the detailed capital asset listing.

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."

The Indiana State Board of Accounts (SBOA) is required under the 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. . . ."

FUND SOURCES AND USES

Condition and Context

Internal controls were not in place to ensure that the Township complied with transfer requirements. The beginning balances of the Township Assistance fund and Cumulative Fire Fund for January 1, 2020, did not agree to the ending balances as of December 31, 2019. The Township made a transfer from the Township Assistance fund to the Cumulative Fire Fund in the amount of $20,000, which was not reported on the ledger but rather was reflected as a change in the beginning balance.

Criteria

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under the 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. . . ."

CONDITION OF RECORDS

Condition and Context

Internal controls were not in place to ensure all receipts were recorded in the Township ledger. The Township ledger did not include the following:

- In 2020, investment activity of $31,837 and payroll receipts of $9,240.
- In 2021, earnings on investments of $13,089 and payroll receipts of $10,018.
- In 2022, earnings on investments of $13,512 and payroll receipts of $11,385.
- In 2023, investment activity of $34,978 and payroll receipts of $11,860.
- In 2024, investment activity of $54,709 and payroll receipts of $14,109.

Criteria

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (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. . . .
>
> 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

INDIANA

NOBLE TOWNSHIP, WABASH 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	$ 863,645	$ 153,538	$ 58,269	$ 958,914	$ 150,260	$ 204,344	$ 904,830
TOWNSHIP ASSISTANCE	558,494	8,662	59,884	507,272	3,510	46,945	463,837
FIRE FIGHTING FUND	847,792	160,863	303,971	704,684	338,884	180,925	862,643
RAINY DAY	13,390	-	-	13,390	-	-	13,390
CUMULATIVE FIRE FUND	398,016	167,467	329,855	235,628	199,093	70,145	364,576
PAYROLL DEDUCTIONS	(464)	9,620	9,156	-	10,018	8,897	1,121
Totals	$ 2,680,873	$ 500,150	$ 761,135	$ 2,419,888	$ 701,765	$ 511,256	$ 2,610,397

NOBLE TOWNSHIP, WABASH 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	$ 904,830	$ 139,122	$ 52,356	$ 991,596	$ 243,343	$ 144,096	$ 1,090,843
TOWNSHIP ASSISTANCE	443,837	3,463	60,712	386,588	106,488	55,049	438,027
FIRE FIGHTING FUND	862,643	153,946	154,625	861,964	197,620	145,299	914,285
RAINY DAY	13,390	-	13,390	-	-	-	-
CUMULATIVE FIRE FUND	384,576	198,189	-	582,765	55,009	-	637,774
PAYROLL DEDUCTIONS	1,121	11,385	12,161	345	11,860	11,799	406
Totals	$ 2,610,397	$ 506,105	$ 293,244	$ 2,823,258	$ 614,320	$ 356,243	$ 3,081,335

NOBLE TOWNSHIP, WABASH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2024

Fund	Cash and Investments 01-01-24	Receipts	Disbursements	Cash and Investments 12-31-24
TOWNSHIP FUND	$ 1,090,843	$ 303,426	$ 161,985	$ 1,232,284
TOWNSHIP ASSISTANCE	438,027	103,950	36,677	505,300
FIRE FIGHTING FUND	914,285	184,159	77,485	1,020,959
CUMULATIVE FIRE FUND	637,774	60,093	470,479	227,388
PAYROLL DEDUCTIONS	406	14,389	14,795	-
Totals	$ 3,081,335	$ 666,017	$ 761,421	$ 2,985,931

NOBLE TOWNSHIP, WABASH COUNTY
EXIT CONFERENCE

The contents of this report were communicated to Lori J. Harnish, Trustee, and Steve Kirtlan, Chair of the Township Board, on May 7, 2025.