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

Paul D. Joyce, CPA
State Examiner

COMPLIANCE ENGAGEMENT REPORT

OF

WALTZ TOWNSHIP

WABASH COUNTY, INDIANA

January 1, 2020 to December 31, 2023

FILED
01/16/2025

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SCHEDULE OF OFFICIALS

Office	Official	Term
Trustee	Michael Ruse	01-01-20 to 12-31-25
Chair of the Township Board	Meghan Henderson	01-01-20 to 12-31-20
	Jeremy Boardman	01-01-21 to 12-31-21
	Lee Smith	01-01-22 to 12-31-22
	Meghan Henderson	01-01-23 to 12-31-23
	Tim Drake	01-01-24 to 12-31-25

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TO: THE OFFICIALS OF WALTZ TOWNSHIP, WABASH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Waltz 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 Michael Ruse, Trustee, and Tim Drake, Chair of the Township Board, on January 10, 2025.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

December 23, 2024

WALTZ TOWNSHIP, WABASH COUNTY
COMMENT

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure compliance with requirements for capital assets. The Township did not provide a capital asset policy that detailed the threshold at which an item is considered a capital asset or provide a complete, detailed listing of all capital assets owned reflecting their acquisition value. The Township reported $500 in machinery, equipment, and vehicle capital assets in its 2023 Annual Financial Report filed in the Indiana Gateway for Government Units financial reporting system.

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. . . ."

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)

INDIANA

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

WALTZ 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 General Fund	$ 41,277	$ 25,044	$ 17,870	$ 48,451	$ 28,485	$ 12,978	$ 63,958
Township Assistance Fund	31,078	-	562	30,516	22	10,987	19,551
Firefighting Fund	44,693	14,591	14,000	45,284	14,824	14,000	46,108
Rainy Day Fund	2,317	5,000	3,000	4,317	10,000	-	14,317
Payroll Withholdings Fund	321	1,621	1,942	-	1,830	1,830	-
Totals	$ 119,686	$ 46,256	$ 37,374	$ 128,568	$ 55,161	$ 39,795	$ 143,934

WALTZ 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 General Fund	$ 63,958	$ 26,122	$ 13,380	$ 76,700	$ 30,841	$ 13,860	$ 93,681
Township Assistance Fund	19,551	348	1,924	17,975	1,137	2,197	16,915
Firefighting Fund	46,108	14,436	14,000	46,544	17,094	14,000	49,638
Rainy Day Fund	14,317	-	-	14,317	-	2,059	12,258
Levy Excess Fund	-	805	-	805	-	-	805
Payroll Withholdings Fund	-	1,828	1,828	-	1,851	1,851	-
Totals	$ 143,934	$ 43,539	$ 31,132	$ 156,341	$ 50,923	$ 33,967	$ 173,297

Waltz Township Trustee
46 W Oak Street P.O. Box 159
Somerset, Indiana 46984

OFFICIAL RESPONSE

Date:January 14, 2025

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re:Response to Capital Assets issue within the Assessment

Per requirement of a Capital Asset Policy for Township Trustee Office; the Waltz Township Board has approved the Capital Asset Policy for Waltz Township on January 13, 2025. The Waltz Township Board is requiring an annual inventory which includes a current list of equipment and any land values as to the value of such items.

Michael Ruse
Township Trustee