

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

TIPPECANOE TOWNSHIP

TIPPECANOE COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

04/09/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comments	5-7
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	11-13

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	William Jones	01-01-19 to 12-31-25
Chair of the Township Board	Jon Eads Jim Fields	01-01-19 to 12-31-23 01-01-24 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF TIPPECANOE TOWNSHIP, TIPPECANOE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Tippecanoe 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 William Jones, Trustee; Jim Fields, Chair of the Township Board; Sam Richardson, Township Board member; and Dan Haan, Township Board member, on March 4, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

July 7, 2024

TIPPECANOE TOWNSHIP, TIPPECANOE COUNTY
COMMENTS

CAPITAL ASSETS

Condition and Context

As a result of internal control deficiencies, the Township had not established a capital assets policy that included a threshold at which an item is considered a capital asset, maintained a complete detailed inventory of capital assets owned that included the acquisition value, or completed a physical inventory at least every two years.

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)

ANNUAL FINANCIAL REPORT

Condition and Context

As a result of internal control deficiencies, a detailed listing of capital assets was not provided and the information for the capital assets entered into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system could not be verified. The Township reported capital assets of \$3,339,500, \$3,371,500, \$3,371,500, \$4,171,500, and \$4,335,285 for the fiscal years ended December 31, 2019, 2020, 2021, 2022, and 2023, respectively.

TIPPECANOE TOWNSHIP, TIPPECANOE COUNTY
COMMENTS
(Continued)

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:

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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](#)."

RECORD OF HOURS WORKED

Condition and Context

The Township had not designed or implemented internal controls to ensure that detailed records reflecting specific days or hours worked were maintained for the Township Clerk during the engagement period, and no such records were maintained.

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:

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TIPPECANOE TOWNSHIP, TIPPECANOE COUNTY
COMMENTS
(Continued)

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Indiana Code 5-11-9-4(b) states in part:

"The state board of accounts shall require that records be maintained showing which hours were worked each day by officers and employees: . . .

(2) employed by more than one (1) public agency or in more than one (1) position by the same public agency . . ."

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

General Form 99A, Employee's Service Record
General Form 99B, Employee's Earnings Record
General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)



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



TIPPECANOE TOWNSHIP, TIPPECANOE 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 FUND	\$ 101,661	\$ 77,418	\$ 78,907	\$ 100,172	\$ 77,934	\$ 130,562	\$ 47,544
TOWNSHIP ASSISTANCE	2,386	27,045	19,398	10,033	36,074	7,155	38,952
RAINY DAY FUND	32,581	10,000	-	42,581	60,000	20,234	82,347
LEVY EXCESS	6,583	-	-	6,583	-	-	6,583
SP FIRE TERRITORY GENERAL	221,199	324,308	345,378	200,129	346,257	406,952	139,434
SP FIRE TERRITORY BUILDING & EQUIPMENT REPLACEMENT	82,325	323,192	191,630	213,887	414,379	431,807	196,459
BATTLE GROUND CEMETERY	12,082	2,850	3,000	11,932	4,070	3,000	13,002
PAYROLL DEDUCTIONS	2,357	8,729	9,820	1,266	10,199	11,126	339
State Grant	(6,628)	7,785	42,859	(41,702)	41,702	-	-
Totals	<u>\$ 454,546</u>	<u>\$ 781,327</u>	<u>\$ 690,992</u>	<u>\$ 544,881</u>	<u>\$ 990,615</u>	<u>\$ 1,010,836</u>	<u>\$ 524,660</u>

TIPPECANOE TOWNSHIP, TIPPECANOE 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 FUND	\$ 47,544	\$ 93,179	\$ 90,263	\$ 50,460	\$ 117,158	\$ 88,875	\$ 78,743
TOWNSHIP ASSISTANCE	38,952	21,077	847	59,182	700	5,397	54,485
RAINY DAY FUND	82,347	20,000	20,000	82,347	20,000	32,196	70,151
LEVY EXCESS	6,583	-	-	6,583	-	-	6,583
SP FIRE TERRITORY GENERAL	139,434	351,758	491,192	-	264,302	171,437	92,865
SP FIRE TERRITORY BUILDING & EQUIPMENT REPLACEMENT	196,459	418,756	615,215	-	313,007	112,050	200,957
BATTLE GROUND CEMETERY	13,002	5,984	3,000	15,986	3,100	1,500	17,586
PAYROLL DEDUCTIONS	339	9,831	10,170	-	9,465	9,465	-
FIRE DEBT SERVICE FUND	-	-	-	-	129,619	115,947	13,672
Totals	<u>\$ 524,660</u>	<u>\$ 920,585</u>	<u>\$ 1,230,687</u>	<u>\$ 214,558</u>	<u>\$ 857,351</u>	<u>\$ 536,867</u>	<u>\$ 535,042</u>

TIPPECANOE TOWNSHIP, TIPPECANOE 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 FUND	\$ 78,743	\$ 111,641	\$ 90,128	\$ 100,256
TOWNSHIP ASSISTANCE	54,485	-	12,958	41,527
RAINY DAY FUND	70,151	20,000	-	90,151
LEVY EXCESS	6,583	-	-	6,583
SP FIRE TERRITORY GENERAL	92,865	236,782	206,448	123,199
SP FIRE TERRITORY BUILDING & EQUIPMENT REPLACEMENT	201,277	206,644	104,320	303,601
BATTLE GROUND CEMETERY	17,586	550	-	18,136
PAYROLL DEDUCTIONS	-	10,368	9,829	539
FIRE DEBT SERVICE FUND	13,672	123,179	115,947	20,904
	<u>\$ 535,362</u>	<u>\$ 709,164</u>	<u>\$ 539,630</u>	<u>\$ 704,896</u>
Totals	\$ 535,362	\$ 709,164	\$ 539,630	\$ 704,896