

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

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

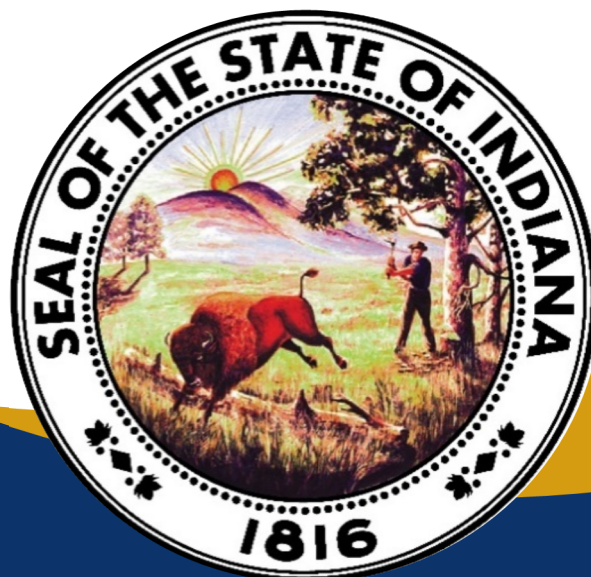
COMPLIANCE ENGAGEMENT REPORT

OF

PERRY TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
01/17/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Scott Kimmel	01-01-20 to 12-31-24
Chair of the Township Board	Phillip Ramsey Jamey Chaney	01-01-20 to 12-31-21 01-01-22 to 12-31-24



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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, CLINTON 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 Scott Kimmel, Trustee; Devin Bell, Township Board member; Brad Bailey, Township Board member; and Jamey Chaney, Chair of the Township Board, on December 16, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 25, 2024

PERRY TOWNSHIP, CLINTON COUNTY
COMMENTS

CONTRACTS

Condition and Context

Internal controls were not in place to ensure that the Township complied with disbursement requirements. The Township made payments to two vendors for cemetery mowing without a written contract. The payments totaled \$2,470, \$2,050, and \$1,310 in 2021, 2022, and 2023, respectively.

Criteria

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Township, 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. . . ."

TOWNSHIP ASSISTANCE

Condition and Context

Internal controls were not in place to ensure the Township complied with Township Assistance requirements. The following errors were identified in testing of Township Assistance applications:

1. Form TA-1, Application for Township Assistance, was not provided for three of the nine disbursements tested.
2. Proper documentation of an investigation was not completed for seven of the nine Township Assistance applications tested.
3. Form TA-1A, Notice of Township Assistance Action, was not provided for four of the nine applications tested.
4. Form TA-2, Township Assistance Purchase Order, was not provided for three of nine applications tested.

PERRY TOWNSHIP, CLINTON COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 12-20-6-1 states in part:

"(a) A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the aid is extended.

(b) An individual filing an application and affidavit on behalf of household must provide the names of all household members and any information necessary for determining the household's eligibility for township assistance. The application must be on the form prescribed by the state board of accounts."

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

Township Assistance Purchase Order must be issued for each and every township assistance order for medical aid. The form is to be made out in triplicate. The original is either given the indigent to take to the doctor or vendor, or is mailed to the doctor or vendor. The duplicate is to be filed alphabetically in the assistance office, and the triplicate remains in the book in numerical order. The purchase order must be completely filled out and itemized before being issued to the doctor or vendor. The doctor or vendor must itemize fully on the reverse side the exact services rendered or items supplied, and must obtain the signature of the relief client. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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PERRY TOWNSHIP, CLINTON COUNTY
COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Internal controls were not in place to ensure that accurate information was entered into the Annual Financial Report (AFR) filed via the Indiana Gateway for Government Units financial reporting system. The AFR contained the following errors:

Debt

The amount reported in the AFR for the fire engine debt ending principal balance was overstated by \$51,923, \$10,980, \$30,802, and \$39,188, respectively, for 2020, 2021, 2022, and 2023. The principal due within one year was understated by \$18,915, \$10,566, \$20,850, and \$11,621, respectively, for 2020, 2021, 2022, and 2023.

Capital Assets

The capital asset information reported in the AFR could not be verified for accuracy. The Township provided a detailed capital asset listing for 2020, but it included current values instead of acquisition values. Assets reported for each year of the engagement period were \$446,000.

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 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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PERRY TOWNSHIP, CLINTON COUNTY
COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure that the Township complied with capital asset requirements. The Township did not properly maintain a complete inventory of capital assets owned by the Township. The Township provided a capital asset listing for 2020, but the Township used current values instead of acquisition values.

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 detailed 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 carried out 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)

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TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal controls were not in place to ensure that relevant personnel had received training on internal control standards. The Township could not provide documentation that officers whose official duties included receiving, processing, depositing, or otherwise having access to funds that belonged to the Township had received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

PERRY TOWNSHIP, CLINTON COUNTY
COMMENTS
(Continued)

- (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."

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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CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal controls were not in place to ensure that information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system was correct.

The information entered into Gateway stated that relevant personnel had received training on the acceptable minimum level of internal control standards for each year of the engagement period; however, the Township was unable to provide evidence supporting these certifications.

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](#)."

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RAINY DAY TRANSFER

Condition and Context

Internal controls were not in place to ensure that the Township complied with transfer requirements. In 2020, the Township transferred \$8,000 from the Township Assistance fund to the Rainy Day Fund. Township Assistance funding should be maintained in the Township Assistance fund and should not be transferred to the any other fund.

Criteria

Indiana Code 12-20-21-3 states:

"(a) Except as provided in section 3.2 of this chapter, a township trustee and township board may levy a specific tax for the purpose of providing money for the payment of township assistance expenses in the following year. The tax may be sufficient to meet the entire requirement of the township in the following year or the part that is determined to be proper.

(b) Except as provided in section 3.2 of this chapter, if a tax levy is established under subsection (a), all proceeds derived from the tax levy shall be distributed to the township at the same time and in the same manner as proceeds from other property tax levies are distributed to the township. The proceeds of the tax levy shall be held by the township in its township assistance account free and available for the payment of township assistance obligations of the township. The funds are continuing funds and do not revert to any other fund at the end of the year."

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PERRY TOWNSHIP, CLINTON COUNTY
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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

PERRY TOWNSHIP, CLINTON 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			Cash and Investments			Cash and Investments
	01-01-20	Receipts	Disbursements	12-31-20	Receipts	Disbursements	
TOWNSHIP GENERAL FUND	\$ 12,722	\$ 22,842	\$ 18,844	\$ 16,720	\$ 33,133	\$ 20,435	\$ 29,418
TOWNSHIP ASSISTANCE	23,752	9,077	19,784	13,045	8,864	10,928	10,981
FIRE FIGHTING FUND	33,158	65,867	52,015	47,010	83,530	49,721	80,819
RAINY DAY FUND	3,757	8,000	-	11,757	-	-	11,757
Cumulative Fire	-	21,146	-	21,146	26,205	-	47,351
FIRE DEBT	21,406	16,530	23,299	14,637	38,823	46,597	6,863
PERRY TOWNSHIP EMS	10,040	6,710	3,960	12,790	8,635	3,962	17,463
EQUIPMENT/TRUCKS	5,667	-	5,667	-	-	-	-
Totals	<u>\$ 110,502</u>	<u>\$ 150,172</u>	<u>\$ 123,569</u>	<u>\$ 137,105</u>	<u>\$ 199,190</u>	<u>\$ 131,643</u>	<u>\$ 204,652</u>

PERRY TOWNSHIP, CLINTON 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		Cash and Investments		Cash and Investments		Cash and Investments
	01-01-22	Receipts	Disbursements	12-31-22	Receipts	Disbursements	
TOWNSHIP GENERAL FUND	\$ 29,418	\$ 21,476	\$ 23,168	\$ 27,726	\$ 46,585	\$ 26,981	\$ 47,330
TOWNSHIP ASSISTANCE	10,981	18,744	9,852	19,873	21,690	12,060	29,503
FIRE FIGHTING FUND	80,819	73,899	57,692	97,026	55,519	62,875	89,670
RAINY DAY FUND	11,757	-	-	11,757	-	2,500	9,257
Cumulative Fire	47,351	24,122	-	71,473	30,295	-	101,768
FIRE DEBT	6,863	20,138	23,299	3,702	24,291	23,299	4,694
PERRY TOWNSHIP EMS	17,463	6,050	3,993	19,520	6,050	3,925	21,645
Totals	<u>\$ 204,652</u>	<u>\$ 164,429</u>	<u>\$ 118,004</u>	<u>\$ 251,077</u>	<u>\$ 184,430</u>	<u>\$ 131,640</u>	<u>\$ 303,867</u>