

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

COMPLIANCE ENGAGEMENT REPORT

OF

CARROLLTON TOWNSHIP

CARROLL COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
05/08/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	John O'Rourke	01-01-19 to 12-31-24
Chair of the Township Board	Steve May Steve McDaniel	01-01-19 to 12-31-22 01-01-23 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 CARROLLTON TOWNSHIP, CARROLL COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Carrollton Township (Township), for the period of January 1, 2019 to December 31, 2022. 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 John O'Rourke, Trustee, and Steve McDaniel, Chair of the Township Board, on May 2, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 11, 2024

CARROLLTON TOWNSHIP, CARROLL COUNTY  
COMMENTS

**FUND SOURCES AND USES**

*Condition and Context*

During the engagement period, the Township made eight payments totaling \$14,500 to the Beech Grove Cemetery Association for maintenance of a cemetery owned by the nonprofit cemetery association. Due to lack of internal controls, the Township could not provide evidence that the cemetery association furnished a verified statement of assets and liabilities or that it was otherwise without funds for maintenance.

*Criteria*

The trustee of each township shall locate and maintain all the cemeteries described in IC 23-14-68-1(a) that are within the township. However, a cemetery association claiming assistance shall furnish a verified statement of assets and liabilities to the township trustee. [IC 23-14-68-2] (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (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. . . ."

CARROLLTON TOWNSHIP, CARROLL COUNTY  
COMMENTS  
(Continued)

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

A similar comment also appeared in prior Report B55182, entitled *INTERNAL CONTROL STANDARDS*.

*Condition and Context*

Although the Township provided evidence training was performed by all personnel over the internal control standards adopted as required by Indiana Code 5-11-1-27(g), the Township had not adopted the acceptable minimum level of internal control standards. Due to lack of internal controls in financial close and reporting, the Township also erroneously certified on the Indiana Gateway for Government Units financial reporting system that they had adopted internal control standards for all years of the engagement period.

*Criteria*

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

"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 . . ."

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 not later than sixty (60) days after the close of each fiscal year. 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](#)."

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

CARROLLTON TOWNSHIP, CARROLL 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	\$ 23,166	\$ 11,612	\$ 11,837	\$ 22,941	\$ 5,935	\$ 11,536	\$ 17,340
Township Assistance	6,862	-	-	6,862	1,119	-	7,981
Fire Fighting	3,911	23,769	12,000	15,680	16,026	14,400	17,306
Rainy Day	1,227	-	-	1,227	-	-	1,227
Cemetery Fund	8,580	4,697	300	12,977	3,790	5,600	11,167
Totals	<u>\$ 43,746</u>	<u>\$ 40,078</u>	<u>\$ 24,137</u>	<u>\$ 59,687</u>	<u>\$ 26,870</u>	<u>\$ 31,536</u>	<u>\$ 55,021</u>

CARROLLTON TOWNSHIP, CARROLL 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	\$ 17,440	\$ 8,877	\$ 15,919	\$ 10,398	\$ 10,438	\$ 10,963	\$ 9,873
Township Assistance	7,981	8	-	7,989	-	-	7,989
Fire Fighting	17,307	16,903	14,000	20,210	17,270	13,000	24,480
Rainy Day	1,227	-	-	1,227	-	-	1,227
Withholding	-	2,092	-	2,092	2,092	2,092	2,092
Cemetery Fund	11,179	4,915	5,100	10,994	1,261	4,700	7,555
Totals	<u>\$ 55,134</u>	<u>\$ 32,795</u>	<u>\$ 35,019</u>	<u>\$ 52,910</u>	<u>\$ 31,061</u>	<u>\$ 30,755</u>	<u>\$ 53,216</u>