

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

COMPLIANCE ENGAGEMENT REPORT

OF

WAYNE TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
10/03/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comment.....	5
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	8-9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Susan Isaacs	01-01-20 to 12-31-24
Chair of the Township Board	Marilyn Sowers	01-01-20 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Wayne 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 Susan Isaacs, Trustee; Marilyn Sowers, Chair of the Township Board; Diane Blackwell, Township Board member; Carey Plota, Clerk; and Angela Maiden, Deputy Trustee, on September 19, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 13, 2024

WAYNE TOWNSHIP, WAYNE COUNTY
COMMENT

DEPOSIT OF PUBLIC FUNDS

Condition and Context

Internal controls were not in place to ensure the Township followed Indiana Public Depository Regulations. In 2020, the Township had a bank account with West End Bank, which is not an approved depository of state funds. From 2021-2023, the Township had a bank account with 3Rivers (which acquired West End Bank), which is also not an approved depository. The Township still has the account with 3Rivers.

Criteria

Indiana Code 5-13-8-1(a) states:

"A political subdivision may deposit public funds in a financial institution only if the financial institution:

- (1) is a depository eligible to receive state funds; and
- (2) has a principal office or branch that qualifies under section 9 of this chapter to receive public funds of 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:

"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. . . ."

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

WAYNE TOWNSHIP, WAYNE 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
GENERAL FUND	\$ 532,255	\$ 321,634	\$ 474,127	\$ 379,762	\$ 327,815	\$ 416,810	\$ 290,767
TOWNSHIP ASSISTANCE FUND	596,026	410,613	506,178	500,461	426,539	497,509	429,491
FIRE FIGHTING FUND	450,156	832,938	885,474	397,620	956,456	897,513	456,563
RAINY DAY FUND	93,405	6,500	1,960	97,945	10,000	-	107,945
LEVY EXCESS FUND	7,226	27,012	-	34,238	-	27,129	7,109
CUMULATIVE BUILDING	103,485	22,549	116	125,918	22,612	-	148,530
PAYROLL DEDUCTIONS	-	123,772	123,772	-	112,279	112,279	-
DONATIONS	26,629	86,061	71,154	41,536	31,976	36,338	37,174
EFSP	5,086	11,915	15,614	1,387	22,843	24,224	6
POOR RELIEF PAYBACKS	5,045	6,323	6,500	4,868	7,464	10,000	2,332
PETTY CASH	100	-	-	100	-	100	-
CEMETERY	56,155	77,424	37,152	96,427	27,661	40,771	83,317
Representative Payee Program	159,513	748,886	677,850	230,549	701,863	722,306	210,106
Totals	<u>\$ 2,035,081</u>	<u>\$ 2,675,627</u>	<u>\$ 2,799,897</u>	<u>\$ 1,910,811</u>	<u>\$ 2,647,508</u>	<u>\$ 2,784,979</u>	<u>\$ 1,773,340</u>

WAYNE TOWNSHIP, WAYNE 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
GENERAL FUND	\$ 290,766	\$ 490,030	\$ 351,329	\$ 429,467	\$ 426,877	\$ 415,143	\$ 441,201
TOWNSHIP ASSISTANCE FUND	429,491	419,244	492,934	355,801	572,446	407,417	520,830
TOWNSHIP FIRE AND EMS	456,562	772,047	625,991	602,618	807,029	724,937	684,710
RAINY DAY FUND	107,945	54,000	-	161,945	135,000	15,000	281,945
LEVY EXCESS FUND	7,109	-	-	7,109	-	-	7,109
CUMULATIVE BUILDING	148,530	21,447	-	169,977	23,380	15,000	178,357
PAYROLL DEDUCTIONS	-	101,637	101,637	-	95,318	95,318	-
DONATIONS	37,175	36,893	43,132	30,936	48,441	65,798	13,579
EFSP	6	58,915	33,100	25,821	6,900	32,709	12
POOR RELIEF PAYBACKS	2,332	441	-	2,773	7,699	10,471	1
CEMETERY	83,316	29,965	33,517	79,764	35,889	33,698	81,955
Representative Payee Program	210,106	606,871	625,601	191,376	538,828	602,282	127,922
Totals	<u>\$ 1,773,338</u>	<u>\$ 2,591,490</u>	<u>\$ 2,307,241</u>	<u>\$ 2,057,587</u>	<u>\$ 2,697,807</u>	<u>\$ 2,417,773</u>	<u>\$ 2,337,621</u>