



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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August 13, 2021

TO: THE OFFICIALS OF NEWVILLE TOWNSHIP, DEKALB COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Newville Township (Township), DeKalb County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

ADOPTION AND CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Township had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts. The Township incorrectly certified on the 2017, 2018, 2019, and 2020 Annual Financial Reports that the required internal control standards had been adopted, and incorrectly certified in 2017 that training had been provided to appropriate personnel.

Criteria

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

"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."

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](#)."

PENALTIES, INTEREST, AND OTHER CHARGES

The same comment also appeared in the prior report B47004.

Condition and Context

The payments of penalties, interest, and other charges were noted as follows by year:

<u>Fee</u>	<u>Amount</u>
IRS Penalties and Interest assessed for 2017, paid 2018	\$ 29.70
IRS Penalties and Interest assessed for 2018, paid 2019	64.48
IRS Penalties and Interest assessed for 2020, paid 2020	<u>8.09</u>
Total	<u>\$ 102.27</u>

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This letter 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 letter, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.


SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
Township	\$ 38,577
Township Assistance	25,981
Fire Fighting	45,594
Rainy Day	<u>11,403</u>
Total	<u>\$ 121,555</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this letter were communicated to Donald Gengnagel, Trustee, and Ed Steury, Chair of the Township Board, on July 29, 2021.

Respectfully,


Paul D. Joyce, CPA
State Examiner