



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 15, 2022

TO: THE OFFICIALS OF MARION TOWNSHIP, ALLEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Marion Township (Township), Allen 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

TRAINING AND CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

In addition, the Township certified on the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, during the engagement, the Trustee indicated that all personnel had not received training concerning the internal control standards.

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: . . .

- (2) personnel receive training concerning the internal control standards and procedures 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](#)."

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B46608.

Condition and Context

The Township's financial information was entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Report (AFR) and financial statements.

In 2019, the Township overstated receipts and disbursements in the Township fund by \$337,425 due to the inclusion of bank-to-bank transfer activity reported in its AFR.

In addition, the Township's Annual Financial Report for 2020 had not been filed electronically until March 29, 2021, which was 28 days past the due date.

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 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](#)."

CERTIFIED REPORT FILED AFTER DUE DATE

Condition and Context

The Township's Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for 2020 had not been filed electronically until March 23, 2021, which was 51 days past the due date.

Criteria

Indiana Code 5-11-13-1(a) states in part:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts . . . The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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.

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	\$ 13,013
Township Assistance	30,202
Fire Fighting	29,528
Rainy Day	29,618
Cumulative Fire	<u>131,909</u>
Total	<u>\$ 234,270</u>

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

The contents of this report were communicated to Scott Schroeder, Trustee, and Gerald Sorg, Chair of the Township Board, on February 24, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner

**MARION TOWNSHIP, ALLEN COUNTY, INDIANA
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OFFICIAL RESPONSE

March 11, 2021

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: SBoA 2016 - 2020 Audit of Marion Township's Records

I would like to add the following responses to the final report.

Training and Certification on Internal Control Standards

I can not speak for the previous Trustee but Myself and my Clerk both have taken your Course on Internal Controls so Marion Township now meets Indiana Code 5-11-1-27 (g).

Annual Financial Report

The overstatement of funds was due to the township switching from Wells Fargo to Flagstar and the trustee at that time entered them into the AFR. I am more then willing to correct the error in the AFR with SBoA assistance if requested to reflect the true AFR.

Certified Report Filed After Due Date

The 2020 AFR was late because I did not receive my appointment till Mid-February and the previous clerk could not remember any passwords, so it just took time to gain access and put the report together for my first time.

Scott Schroeder
Marion Township Trustee