



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

August 1, 2023

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Adams Township (Township), Allen County, for the period of January 1, 2019 to December 31, 2022, 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

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Depository reconciliations of the Township's fund balances to its bank account balances were conducted on a monthly basis throughout the engagement period; however, year-end bank account reconciliations did not balance. As a result, the ending cash and investments balances on December 31, 2019, 2020, 2021, and 2022, were \$7,899, \$12,092, \$12,025, and \$11,842 less than the adjusted bank balances, respectively.

In addition, the bank account reconciliations presented for review contained errors. The outstanding checklist incorrectly listed three voided checks by the Township, totaling \$474, that were no longer outstanding.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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, 2022

Fund	Cash and Investments 12-31-22
TOWNSHIP	\$ 626,021
EMS FIRE	-
TOWNSHIP ASSISTANCE	647,706
FIRE FIGHTING FUND	(1)
RAINY DAY FUND	35,777
EXCESS LEVY	-
SPECIAL FIRE TERRITORY EQUIPMENT	18
CUMULATIVE FIRE & EQUIPMENT	-
COMMUNITY SERVICES	10,009
PAYROLL DEDUCTIONS	26,717
SPECIAL FIRE GENERAL	189
Total	\$ 1,346,436

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

The contents of this report were communicated to Denita Washington, Trustee; Ron Williams, Chair of the Township Board; Allison Olinger, Township Board member, and Chad Bauer, Township Board member, on June 15, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner

Adams Township Trustee

Committed to Community through Service & Accountability

Denita L. Washington, Trustee

1125 Hartzell Street
New Haven, IN 46774

(260) 493-2590 Trustee
(260) 749-4162 Assistance
(260) 746-6806 Fax
info@adamstownship.org

June 24, 2023

Good Evening Grace,

We are in receipt of your written report with the comment related to the Township bank balance having more cash in it than our adjusted books balances and the bank reconciliations showing checks outstanding that had cleared the bank, which resulted in more money in our bank account than the Township previously reported.

First, we concur with the audit comment. As it relates to the outstanding checklist, we did not remove three transactions totaling \$474 from the outstanding checklist on one of the bank reconciliations. This resulted in us showing less cash in the bank than we actually had available as of December 31, 2022. To correct this oversight, we have removed the three items totaling \$474 from the outstanding checklist.

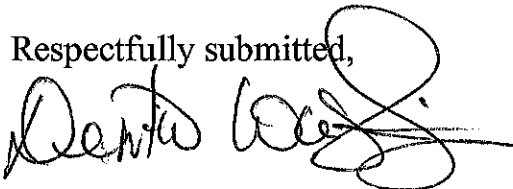
As it relates to the year-end bank account reconciliations not balancing as of December 31, 2019, 2020, 2021 and 2022, by \$7,899, \$12,092, \$12,025 and \$11,842, respectively; and showing less cash than the bank balances (meaning we have more cash in the bank than what we are reporting in our system), we offer the following explanations:

- When we first took office, there were no automated systems in place at the township. All accounting records were handwritten, and all bank reconciliations were performed on paper. Because of this there was a \$611.91 item that could not be reconciled to the prior audit. The SBOA auditors provided us with what they thought the entry should be to correct the error, however, the entry we were provided did not correct the error. We asked the SBOA for additional guidance on how to correct this issue that was related to the previous Trustee, but we did not and have not received an additional response. Therefore, the ending cash balance is off by \$611.91, the previously reported error (see attached email communications). We will seek guidance from the SBOA again so that we can get this issue resolved.
- In addition to this, because there the previous Trustee only had manual and handwritten processes, we opened individual bank accounts related to the separate funds to ensure that the cash that was being reported on the hand-written statements equaled the balances by fund for all of the funds that the Township maintained at the bank. In other words, we opened separate banks accounts for all accounts (including payroll) and purchased an accounting

system to automate the accounting and bank reconciliation process. When we did this, we set up funds in the accounting system that related to each bank account we opened. However, because we had to transfer funds between several accounts on an almost weekly basis (for payroll, voucher payments, Fire and EMS payments, etc...) we made a decision to close all of the bank accounts except four (General, Saving, EMS and Cum Fire). When we did this, we thought we closed out all of the Toms Web accounting funds related to the bank accounts. However, the audit helped us to discover that we have two accounts in our accounting system that are still open. The net amount of these open accounts within the system equates to (-\$12,023.29). Once we clear out this net negative account from our accounting system, and once we obtain additional guidance related to the \$611.91 issue

discussed above, we believe that our books will match the amount that is shown in the bank account.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Denita Washington". The signature is stylized and cursive, with a large loop at the end.

Denita Washington, Trustee
Adams Township, Allen County

From: Akey, Bill <BAkey@sboafe.IN.gov>
Sent: Friday, November 22, 2019 12:44 PM
To: Janet McComb <janet.mccomb@adamstownship.org>; Turk, Natasha <nturk@sboafe.in.gov>;
Brandenburg, Patrick <PBrandenburg@sboafe.IN.gov>
Cc: Denita Washington <denita.washington@adamstownship.org>; Whittaker, Curtis
<CWhittaker@cawhittakercpa.com>
Subject: RE: More Clarification...Please

Janet,

During the first week of December, Natasha will come back there for a day. She will review your reconcilements for 2019 and the Gateway reporting for 2018. Our audit workpapers will have a reconciliation at 12-31-18. Our audit workpapers will clearly show what applies to the former Trustee.

William Akey

William Akey CPA
Audit Coordinator
Indiana State Board of Accounts
Cell# 317 452 9070
Email bakey@sboafe.in.gov

From: Janet McComb [<mailto:janet.mccomb@adamstownship.org>]
Sent: Friday, November 22, 2019 12:22 PM
To: Turk, Natasha <nturk@sboafe.in.gov>; Brandenburg, Patrick <PBrandenburg@sboafe.IN.gov>; Akey,
Bill <BAkey@sboafe.IN.gov>
Cc: Denita Washington <denita.washington@adamstownship.org>; Whittaker, Curtis
<CWhittaker@cawhittakercpa.com>
Subject: More Clarification...Please

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Good Afternoon,

After reading your response to my email, I still have a few questions.

1. Changing the M Account number in the 2018 Gateway Report sounds great to me. It seems like a very simple fix. But, after thinking about it overnight, I am wondering if this won't create bigger problems for us down the road? My question is, how will this affect the audit report because now the records will not tie to the report.
2. As you stated in your first email, you could not reconcile the bank to the books at the close of 12-31-19. But, there is no discussion about the \$611.91 in the exit interview. Does that mean that that discrepancy does not show up in the audit report being submitted to the SBOA for the 2016-2018 audit? Because, if that's the case, it's going to look like the current administration started with a \$611.91 deficit in their first month of office.

At this point I am extremely frustrated. I feel like I was led to make some poor decisions when I made those changes. My problem was that I was intimidated by the mere title of SBOA and having two people in my office telling me that these changes had to be made and everything would be okay going forward. When, in fact, that's not really the case.

Unfortunately I feel like I made those changes in order to make everything look good for the 2016-2018 audit. But now that I can see the full impact of those changes, no one seems to actually want to help me correct the mistake from the last administration. So looking forward to the next audit, we are still going to be off \$611.91 and the blame will be placed on Trustee Washington.

I hope I am way off base here; however, I would like something to put in the file with the audit report. That way we will be covered down the road. As far as unsubmitting the 2018 gateway report, I am going to wait until I hear from you.

Janet McComb

Janet McComb, Clerk
Adams Township Trustee's Office
1125 Hartzell Street
New Haven, IN 46774
Phone: 260-749-4162
Fax: 260-749-6086