

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

COMPLIANCE ENGAGEMENT REPORT

OF

PIKE TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED

06/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Annette M. Johnson	01-01-22 to 12-31-24
Chair of the Township Board	David Willis	01-01-22 to 12-31-24
Small Claims Court Judge	The Honorable A. Douglas Stephens	01-01-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Pike Township (Township), for the period of January 1, 2022 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 Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statement) are informational only. The Statement has not been subjected to any procedures designed to express an opinion or provide any assurance on it, and, accordingly, we do not express an opinion or provide any assurance on it.

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 Annette M. Johnson, Trustee; David Willis, Chair of the Township Board; The Honorable A. Douglas Stephens, Small Claims Court Judge; Jeffrey Beam, Fire Chief; Beth Marsh, Accountant; and Phyllis Robinson, Finance Administrator, on June 11, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 18, 2024

PIKE TOWNSHIP, MARION COUNTY
COMMENTS

OLD OUTSTANDING CHECKS (WARRANTS)

Condition and Context

Trustee

The Trustee had outstanding checks over two years old as of December 31 of the preceding year in the bank reconciliements as of December 31, 2022, and December 31, 2023, totaling \$194,454 and \$193, respectively. Funds from these checks should be receipted back into the Trustee appropriate funds the checks were disbursed from.

Small Claims Court

The Small Claims Court had outstanding checks over two years old as of December 31 of the preceding year in the bank reconciliements as of December 31, 2022, and December 31, 2023, totaling \$10,986 and \$10,986, respectively. Funds from these checks should be receipted back into the Court's Trust register and then remitted to the Indiana Attorney General.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

PIKE TOWNSHIP, MARION COUNTY
COMMENTS
(Continued)

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

Indiana Code 32-34-1.5-4 states in part:

"Subject to section 11 of this chapter, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified as follows: . . .

(9) For property held by a court, including property received as proceeds of a class action, one (1) year after the property becomes distributable. . . ."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Trustee

The Township's bank reconciliations for 2022 and 2023 did not reconcile to the Township's fund balances due to errors in recording entries that caused the fund balances to be incorrect for 2022 and 2023. As a result, the ending cash and investments balances per the records were \$78,661 in 2022 and \$15,723 in 2023 less than the adjusted bank balances at each year end.

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)

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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

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PIKE TOWNSHIP, MARION 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
TOWNSHIP FUND	\$ 1,070,479	\$ 1,214,919	\$ 1,044,667	\$ 1,240,731	\$ 2,539,865	\$ 1,183,421	\$ 2,597,175
TOWNSHIP ASSISTANCE	100,184	597,136	603,878	93,442	853,883	620,110	327,215
FIRE FIGHTING	24,441,941	32,769,321	29,702,460	27,508,802	36,662,218	32,298,507	31,872,513
2001 RAINY DAY FUND	3,589,408	-	-	3,589,408	-	-	3,589,408
LEVY EXCESS FUND	49,388	-	-	49,388	-	-	49,388
CUMULATIVE FIRE	8,512,446	3,369,260	3,762,689	8,119,017	3,422,273	4,709,388	6,831,902
PIKE FSA LOAN	46,148	-	-	46,148	-	-	46,148
PAYROLL DEDUCTIONS	-	5,980,342	5,978,146	2,196	5,919,323	5,917,869	3,650
FIRE PENSION CDS	432,055	-	141,741	290,314	88,240	144,907	233,647
FIRE DEBT FUND	268,557	-	-	268,557	-	-	268,557
EMERGENCY FIRE LOAN	47,663	-	-	47,663	-	-	47,663
PIKE HEALTH PLAN	224,286	-	-	224,286	-	-	224,286
FIRE PENSION FUND	25,792	-	25,792	-	-	-	-
ASSISTANCE TO FIREFIGHTERS GRANT	127,044	-	92,873	34,171	-	-	34,171
DONATIONS	10,788	3,915	5,117	9,586	5,580	7,406	7,760
PIKE FIRE RHIF FUND	482,622	85,889	96,800	471,711	251,590	101,927	621,374
FIRE - GRANTS (STATE)	-	-	-	-	15,000	5,201	9,799
Small Claims Court Fees	960	-	-	960	-	-	960
Small Claims Court Trust	12,166	-	-	12,166	-	-	12,166
Small Claims Court Fees - Odyssey	42,956	1,525,262	1,542,092	26,126	1,465,508	1,450,966	40,668
Totals	\$ 39,484,883	\$ 45,546,044	\$ 42,996,255	\$ 42,034,672	\$ 51,223,480	\$ 46,439,702	\$ 46,818,450