

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

**Paul D. Joyce, CPA
State Examiner**

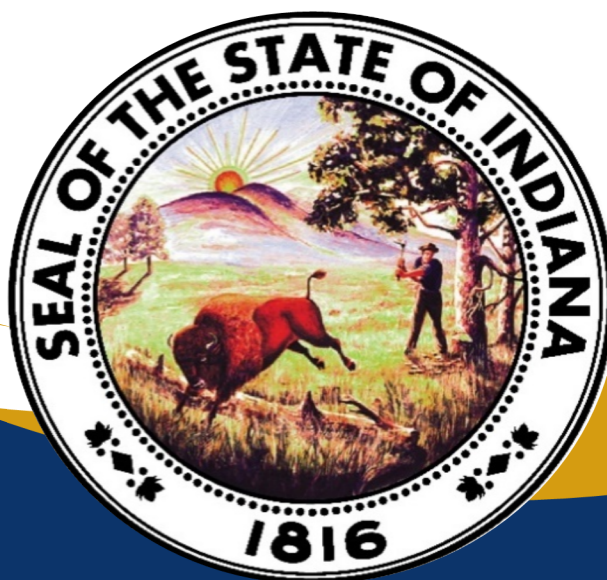
COMPLIANCE ENGAGEMENT REPORT

OF

SIMS TOWNSHIP

GRANT COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
11/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Jeff Duncan	01-01-20 to 12-31-24
Chair of the Township Board	Charles Edgeington	01-01-20 to 12-31-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF SIMS TOWNSHIP, GRANT COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Sims 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 Jeff Duncan, Trustee, and Charles Edgeington, Chair of the Township Board, on November 12, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

October 31, 2024

SIMS TOWNSHIP, GRANT COUNTY
COMMENTS

COMPENSATION AND BENEFITS

A similar comment appeared in prior Report B55288.

Condition and Context

Internal controls were not in place to ensure the Township complied with applicable laws and regulations related to compensation and benefits.

The Township did not provide a formal salary ordinance or resolution for years 2020 or 2023.

The Township Board set the annual compensation amounts of the Trustee, the Township Clerk, and the Township Board for year 2020 in the Township Board minutes.

The Township Board minutes for June 1, 2022, mentioned approval of the 2023 compensation of the Trustee, the Township Clerk, and the Township Board, but the minutes did not specify the compensation amounts. Discussions with the Trustee revealed that the intent of the Township Board was to approve the 2023 salaries at the 2022 rates.

Employees of the Township were paid without the Township withholding federal, state, and local taxes. Payments were reported on federal Form 1099 as other income or nonemployee compensation.

Additionally, the following underpayments or overpayments of salary were identified:

- The Township Clerk was underpaid by \$370 in 2020.
- The Trustee was underpaid by \$115 in 2020.
- The Trustee was underpaid by \$1,250 in 2021.
- The Township Clerk was underpaid by \$1,004 in 2023.
- The Trustee was overpaid by \$990 in 2023.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Township Trustees, Chapter 1)

Indiana Code 36-6-6-10(c) states in part: "The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule. . . ."



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

SIMS TOWNSHIP, GRANT 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
Township	\$ 109,036	\$ 39,538	\$ 42,066	\$ 106,508	\$ 42,366	\$ 36,710	\$ 112,164
Park And Recreation	69,621	5,137	3,000	71,758	5,739	27,626	49,871
Township Assistance	41,982	7,206	3,602	45,586	7,335	7,377	45,544
Fire Fighting	11,032	26,806	23,352	14,486	28,366	24,428	18,424
Rainy Day Fund	2,159	-	-	2,159	10,000	-	12,159
Totals	<u>\$ 233,830</u>	<u>\$ 78,687</u>	<u>\$ 72,020</u>	<u>\$ 240,497</u>	<u>\$ 93,806</u>	<u>\$ 96,141</u>	<u>\$ 238,162</u>

SIMS TOWNSHIP, GRANT 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	\$ 112,164	\$ 58,042	\$ 41,286	\$ 128,920	\$ 86,516	\$ 58,574	\$ 156,862
Park And Recreation	49,871	-	6,416	43,455	-	8,000	35,455
Township Assistance	45,544	-	4,669	40,875	-	3,785	37,090
Fire Fighting	18,424	27,132	24,825	20,731	9,977	14,674	16,034
Rainy Day Fund	12,159	-	-	12,159	-	-	12,159
Totals	<u>\$ 238,162</u>	<u>\$ 85,174</u>	<u>\$ 77,196</u>	<u>\$ 246,140</u>	<u>\$ 96,493</u>	<u>\$ 85,033</u>	<u>\$ 257,600</u>