

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

CEDAR CREEK TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2021 to December 31, 2023



FILED

03/03/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steven Herman Scott Connally	01-01-21 to 12-31-22 01-01-23 to 12-31-25
Chair of the Township Board	James Berger	01-01-21 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF CEDAR CREEK TOWNSHIP, ALLEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Cedar Creek Township (Township), for the period of January 1, 2021 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 Scott Connally, Trustee; Lori DeWitt, Clerk; James Berger, Chair of the Township Board; and Steven Jones, Township Board member, on February 19, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 10, 2025

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal control deficiencies resulted in noncompliance with laws and regulations over the following areas as detailed further in the comments below:

- Annual Financial Reports
- Fund Sources and Uses - County Tax Settlements and Local Income Tax (LIT)
- Bank Account Reconciliations
- Penalties, Interest, and Other Charges
- Supporting Documentation
- Compensation and Benefits
- Ordinances and Resolutions - Fire Territory Withdrawal
- Fund Sources and Uses - Payments to Fire District
- Adoption of, and Training on, Internal Control Standards
- Certification on Internal Control Standards
- Submission of Certified Reports
- Capital Assets
- Monthly and Annual Uploads
- Condition of Records in 2024

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

ANNUAL FINANCIAL REPORTS

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system, which is the source of the Township's Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis. The AFR had the following errors and noncompliance:

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

Late Submission

The Township submitted the 2022 AFR on October 17, 2023, which was 230 days after the due date. The Township submitted the 2023 AFR on June 2, 2024, which was 94 days after the due date.

Financial Data

When the Township originally submitted the 2023 AFR on June 2, 2024, it was aware that there were significant errors in its accounting software and the AFR submission. The officials subsequently corrected the errors within its accounting software and resubmitted the AFR on December 16, 2024. As a result of the resubmission, the financial data within the AFR was corrected, which resulted in total receipts and total disbursements decreasing by \$672,301 and \$2,938,850, respectively, and the cash and investments ending balance as of December 31 increasing by \$2,266,549. However, we identified material errors on the resubmitted AFR, which are detailed in the comment below entitled *Fund Sources and Uses - County Tax Settlements and Local Income Tax (LIT)*.

Capital Assets

The capital asset information entered into the AFRs for the engagement period could not be verified. The capital assets reported by the Township totaled \$637,000 as of December 31 for each of the 2021, 2022, and 2023 years.

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 as set forth in the uniform compliance guidelines. 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](#)."

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Townships, Chapter 1)

FUND SOURCES AND USES - COUNTY TAX SETTLEMENTS AND LOCAL INCOME TAX (LIT)

Condition and Context

County Tax Settlement Distributions

In 2023, there was \$3,000,814 of county tax settlement distributions, which include property, license excise, commercial vehicle excise, and financial institution taxes, receipted into the Township Fund in error that belonged to the Township Assistance fund, Fire Territory fund, and Fire Territory Equipment fund in the amounts of \$8,656, \$2,580,515, and \$411,643, respectively.

Adjustments were proposed, approved by management, and made to the 2023 Annual Financial Report and to the Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis for the year ended December 31, 2023, in this report.

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

Local Income Tax (LIT) Distributions

In 2021, there was \$16,623 of the Local Income Tax (LIT) distributions that belonged to the Township fund that was receipted into the Township Assistance fund and Rainy Day fund in error in the amounts of \$6,649 and \$9,974, respectively. In 2022, there was \$62,230 of the LIT distributions that belonged to the Township fund that was receipted into the Township Assistance fund in error.

Criteria

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

Condition and Context

The bank reconciliation prepared by the Township as of December 31, 2022, did not include a savings account opened in December 2022. The balance in the account as of December 31, 2022, was \$2,120,051.

The Township did not provide evidence that monthly bank reconciliations were prepared as of February 2023 through December 2023. The Township subsequently completed these monthly bank reconciliations in December 2024.

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."

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

In October 2024, the Township paid \$9,309 in penalties and interest to the Internal Revenue Service for late payment or reporting of federal payroll taxes relating to tax periods in 2021 and 2022. Between February 2022 and April 2024, the Township paid \$6,340 in penalties and interest to the Indiana Department of Revenue for late payment of state payroll taxes relating to tax periods in 2021, 2022, and 2023.

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)

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

SUPPORTING DOCUMENTATION

Condition and Context

In a test of 33 disbursements, supporting documentation was not provided for 2 disbursements in 2021 totaling \$7,248, 3 disbursements in 2022 totaling \$7,175, and 6 disbursements in 2023 totaling \$22,670. These disbursements were made to vendors that would do business with the Township (including the Fire Territory) in the normal course of business.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

COMPENSATION AND BENEFITS

Condition and Context

No approved salary schedules for Township employees of the Fire Territory were provided for examination. Total gross payroll disbursements for Township employees of the Fire Territory for 2021, 2022, and 2023 were \$1,143,707, \$1,193,221, and \$1,753,115; respectively.

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 Townships, Chapter 1)

ORDINANCES AND RESOLUTIONS - FIRE TERRITORY WITHDRAWAL

Condition and Context

In 2020, the Township (Participating and Provider Unit) along with the Town of Grabill and Springfield Township (Participating Units) approved an interlocal agreement which established the Northeast Allen County Fire Territory (Fire Territory). In 2022, the interlocal agreement was amended to include the Town of Leo-Cedarville and Scipio Township as additional Participating Units. As the Provider Unit, the Township maintained and held the Fire Territory Operating fund and Fire Territory Equipment fund.

In March 2023, each of the Participating Units passed an identical ordinance or resolution to withdraw from the Fire Territory as of December 31, 2023, due to the establishment of the Northeast Allen County Fire Protection District (Fire District). These ordinances/resolutions included the following:

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

"That (Participating Unit) shall participate with each of the other participating units to receive all equipment, apparatus, buildings, land or any other capital item it provided to the Territory prior to March 28, 2022, its pro-rata share of the Territory Fire Operating Fund, its pro-rata share of the Territory Equipment Replacement Fund, unless otherwise agreed upon by the participating units to direct these resources otherwise pursuant to an interlocal agreement entered into pursuant to Ind. Code § 36-1-7 *et. seq.*

That (Participating Unit) shall participate with each of the other participating units to receive its pro-rata share of all equipment, apparatus, building, land or any other capital item acquired by the Territory after March 22, 2022, subject to appraisal and liquidation, or buy-out by another participating unit, unless the participating units agree to transfer any such 'territory-acquired' assets to the District.

Any other winding down matters resulting from this Resolution shall be resolved pursuant to the Territory Interlocal, any relevant provisions of Ind. Code § 36-8-19 or by a subsequent interlocal agreement adopted by the Participating Units pursuant to Ind. Code § 36-1-7 *et. seq.*"

Later, in 2023, a new interlocal agreement for the purpose of winding down the Fire Territory and transitioning to the Fire District was drafted and proposed. However, as of the date of this report, the agreement has not been approved by all of the Participating Units.

As of the date of this report, the Township had not distributed any capital or monetary assets to any of the other Participating Units in accordance with the ordinance or resolution passed by each Participating Unit that withdrew from the Fire Territory.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

FUND SOURCES AND USES - PAYMENTS TO FIRE DISTRICT

Condition and Context

In April 2024, the Township issued a check for \$400,000 to the Northeast Allen County Fire Protection District (Fire District) as a partial transfer of the Fire Territory operating fund balance. In August 2024, the Township issued a check for \$475,301 to the Fire District as a partial transfer of the Fire Equipment fund balance. As mentioned in the previous comment entitled *Ordinances and Resolutions - Fire Territory Withdrawal*, the proposed interlocal agreement regarding winding down the Fire Territory and transitioning to the Fire District had not been approved by all Participating Units. Therefore, no authority exists for the transfer of funds to the Fire District.

Criteria

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B58499.

Condition and Context

The Township had not adopted the minimum level of internal control standards as required by statute. Additionally, the Township did not provide to employees, whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, training over internal control standards that were developed or approved by the Indiana State Board of Accounts during the engagement period.

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; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Township incorrectly certified on the Annual Financial Report via the Indiana Gateway for Government Units financial reporting system for 2022 and 2023 that the required internal control standards had been adopted and training had been provided to personnel. However, the Township had not adopted the internal control standards as required by Indiana Code 5-11-1-27(g) nor had personnel been trained.

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 as set forth in the uniform compliance guidelines. 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](#)."

SUBMISSION OF CERTIFIED REPORTS

Condition and Context

The Township did not submit a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for 2022. Also, the Township submitted the Form 100R for 2023 on February 11, 2024, which was eleven days past the due date.

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 5-11-13-1(b) states:

"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 report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CAPITAL ASSETS

A similar comment appeared in a Management Letter addressed to The Officials of the Township for the review period ending December 31, 2020.

Condition and Context

The Township did not maintain a complete detailed listing of all capital assets owned, which reflected their acquisition value, during the engagement period. Additionally, the Township did not complete a physical inventory of capital assets at least every two years.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The Township did not comply with State Examiner Directive 2018-1 as amended. For 2023, the Township did not upload monthly into the Indiana Gateway for Government Units (Gateway) financial reporting system approved Township Board minutes. For July 2023 through December 2023, the Township did not upload monthly into Gateway the funds ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund.

The required monthly file uploads into the Gateway financial reporting system are due the 15th of the second month of which the required monthly file is for. For the required monthly files that the Township did upload, January 2023 through June 2023 required monthly files were uploaded in January 2024, and July 2023 through December 2023 required monthly files were uploaded in December 2024.

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

The Township did not upload any of the required annual files into Gateway for 2023. The following files and governmental unit information are required to be uploaded annually:

- Year-end investment statements
- Detail of receipts for the year
- Detail of disbursements for the year
- Current year salary ordinance (and Amendments)
- Annual vendor history report
- Annual employee earnings record/payroll history report without social security numbers
- Annual funds ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Accounts Payable/Accounts Receivable Schedule support
- Personnel Policy

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021; Updated October 30, 2023, effective with the December 2023 monthly uploads due February 15, 2024, and the 2023 annual uploads due March 1, 2024)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONDITION OF RECORDS IN 2024

Condition and Context

Due to the number of noncompliance issues encountered during the engagement, the Indiana State Board of Accounts performed additional limited compliance review procedures for 2024. We identified the following noncompliance:

- No 2024 monthly financial reports, including bank reconciliations, had been prepared.
- No 2024 monthly uploads into the Indiana Gateway for Government Units financial reporting system had been completed.

Criteria

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)

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
COMMENTS
(Continued)

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."

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021; Updated October 30, 2023, effective with the December 2023 monthly uploads due February 15, 2024, and the 2023 annual uploads due March 1, 2024)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 1)



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

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
TOWNSHIP	\$ 57,279	\$ 68,961	\$ 52,705	\$ 73,535	\$ 66,644	\$ 64,545	\$ 75,634
TOWNSHIP ASSISTANCE	67,579	12,786	21,561	58,804	85,934	36,454	108,284
FIRE FIGHTING	78,472	2,156	80,628	-	-	-	-
RAINY DAY	50,159	9,974	-	60,133	-	-	60,133
FIRE TERRITORY	-	2,919,828	1,624,868	1,294,960	2,471,832	2,075,813	1,690,979
CUMULATIVE FIRE	156,447	939	157,386	-	-	-	-
FIRE EQUIPMENT	-	739,084	291,976	447,108	318,304	235,685	529,727
BUGGY PLATE SALES	-	6,105	5,995	110	5,721	5,830	1
PAYROLL DEDUCTIONS	(1,283)	294,139	213,388	79,468	353,177	425,729	6,916
Totals	<u>\$ 408,653</u>	<u>\$ 4,053,972</u>	<u>\$ 2,448,507</u>	<u>\$ 2,014,118</u>	<u>\$ 3,301,612</u>	<u>\$ 2,844,056</u>	<u>\$ 2,471,674</u>

CEDAR CREEK TOWNSHIP, ALLEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
TOWNSHIP	\$ 75,635	\$ 136,893	\$ 56,883	\$ 155,645
TOWNSHIP ASSISTANCE	108,284	49,875	55,784	102,375
RAINY DAY	60,133	-	11,153	48,980
FIRE TERRITORY	1,690,982	3,279,579	2,675,681	2,294,880
FIRE EQUIPMENT	529,728	477,067	31,180	975,615
BUGGY PLATE SALES	1	4,724	310	4,415
PAYROLL DEDUCTIONS	6,916	394,794	244,152	157,558
Totals	<u>\$ 2,471,679</u>	<u>\$ 4,342,932</u>	<u>\$ 3,075,143</u>	<u>\$ 3,739,468</u>

Cedar Creek Township Trustee

Scott Connally - Trustee

OFFICIAL RESPONSE

Date: February 27, 2025

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

Re: OFFICIAL RESPONSE

ANNUAL FINANCIAL REPORTS

The current Cedar Creek Township Trustee administration does agree the 2023 AFR was late in submission because of the accounting mess we were left by the past Cedar Creek Township Trustee administration.

BANK ACCOUNT RECONCILIATIONS

The current Cedar Creek Township Trustee administration did not submit current bank reconciliations because bank reconciliations were supposed to happen from the Northeast Frie Territory and this was not done. The current Cedar Creek Township Trustee did not start paying all bills until 12/22/23.

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties occurred because proper documentation was not provided to the IRS and State of Indiana by the fire territory and past Cedar Creek Township Trustee administration.

P.O. Box 166 14425 Leo Rd. Leo, IN. 46765
260-627-5695
cedarcreektrustee@hotmail.com

Cedar Creek Township Trustee

Scott Connally - Trustee

ORDINANCES AND RESOLUTIONS – FIRE TERRITORY WITHDRAWAL

Prior Cedar Creek Township Trustee administration was responsible for 2021 and 2022 Accounting. 2023 distributions were an issue because of improper accounting records from the Northeast Frie Territory.

COMPENSATION AND BENEEFITS

The Northeast Frie Territory Board has not provided current Cedar Creek Township Trustee administration with an approved salary schedule for the 2021, 2022, 2023. All Northeast Frie Territory salaries are handled by the Northeast Frie Territory Board. The current Cedar Creek Township Trustee administration will adopt a salary ordinance for the township in 2025.

ORDINANCES AND RESOLUTIONS – FIRE TERRITORY WITHDRAWAL

. The current Cedar Creek Township Trustee administration has not signed the current interlocal agreement. At this time Cedar Creel Township and The Town of Grabill have not signed this interlocal agreement. At this time a new interlocal agreement is being drafted. Cedar Creek Township has turned over all trucks and equipment to the Northeast Fire District. The main fire station in Grabill is still owned in part with other municipalities.

FUND SOURCES AND USES - PAYMENTS TO FIRE DISTRICT

The current Cedar Creek Township Trustee administration did issue a check for \$400,000 and a check for \$475,301 (CUM FUND) to the Northeast Fire District.

ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS

The past and current Cedar Creek Township Trustee administration did not complete the proper internal control training. The current Cedar Creek Township Trustee administration is now aware of this training and will be completing it in early 2025.

MONTHLY AND ANNUAL UPLOADS

The current Cedar Creek Township Trustee administration did not upload monthly and annual reports in a timely manner in 2023 because current administration was dealing with improper accounting records from the Northeast Frie Territory.

P.O. Box 166 14425 Leo Rd. Leo, IN. 46765
260-627-5695
cedarcreektrustee@hotmail.com

Cedar Creek Township Trustee

Scott Connally - Trustee

CONDITION OF RECORDS IN 2024

The current Cedar Creek Township Trustee administration did not upload monthly and annual reports in a timely manner because current administration was dealing with improper accounting records from the Northeast Frie Territory and past Cedar Creek Township Trustee administration.

Scott Connally
Cedar Creek Township Trustee

Jim Berger
Cedar Creek Township Trustee Board President

Kathy Fisher
Cedar Creek Township Trustee Board Member

Steve Jones
Cedar Creek Township Trustee Board Member

P.O. Box 166 14425 Leo Rd. Leo, IN. 46765
260-627-5695
cedarcreektrustee@hotmail.com