



**STATE OF INDIANA**  
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B60229

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November 16, 2022

TO: THE OFFICIALS OF BUTLER TOWNSHIP, MIAMI COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Butler Township (Township), Miami County, for the period of January 1, 2018 to December 31, 2021, 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](http://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***

A similar comment appeared in a Management Letter addressed to the Trustee and Township Board for the engagement period ending December 31, 2017.

***Condition and Context***

Depository reconciliations of the Township's fund balances to its bank account balances were conducted; however, year-end bank account reconciliations did not balance, as the Township did not reconcile all depository accounts to the ending cash and investments balance reported in its Annual Financial Reports (AFR) throughout the engagement period.

In addition, the Township did not ensure that fund balances reported in its AFR agreed to the fund balances in the Township ledger or to the prior period fund ending balances.

***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)

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](#)."

### **LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

The same comment appeared in a Management Letter addressed to the Trustee and Township Board for the engagement period ending December 31, 2017.

#### *Condition and Context*

The Township's Annual Financial Report for 2019 was not filed electronically until July 28, 2020, which was 149 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](#)."

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)

### **MONTHLY AND ANNUAL UPLOADS**

#### *Condition and Context*

The Township did not comply with the State Examiner Directive and failed to upload the required monthly and annual files to the Indiana Gateway for Government Units (Gateway) financial reporting system throughout the engagement period.

#### *Criteria*

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)

Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

The following files and governmental unit information are required to be uploaded monthly by all units except as noted:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

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 (or Schedule) and Amendments
- Annual Vendor History Report
- Annual 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
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

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.

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

The contents of this report were communicated to Tamera Hierholzer, Trustee, and Shirley Kunkle, Chair of the Township Board, on October 27, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner

BUTLER TOWNSHIP, MIAMI COUNTY

OFFICIAL RESPONSE

Date: November 3, 2022

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

Re: In Response to Butler Township Exit Interview

As of 6/7/2021 when I, Tamera R. Hierholzer, was appointed the Butler Township Trustee, I assumed this position with a bank account amount of \$29,674.58.

Per State Board of Accounts Field Examiners, the beginning bank balance of 1/1/2021 being the same as of 12/31/2020, \$32,660.30 will be the starting balance of all funds:

- The starting balance for Butler Twp. General fund will be \$10,521.92 which is 34% of my funds.
- The starting balance for Fire will be \$11,559.81 which is 37% of my funds.
- The starting balance for the Rainy Day fund will be \$2,144.24 which is 1% of my funds.
- The starting balance for Township Assistance will be \$8,434.33 which is 28% of my funds.

Moving forward the AFR for 2022 will be filed in a timely manner in January 2023.

Thank you,

Tamera R. Hierholzer  
Butler Township Trustee