



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

December 28, 2022

TO: THE OFFICIALS OF JACKSON TOWNSHIP, DECATUR COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Jackson Township (Township), Decatur 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.

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

TIMELY RECORDING

Condition and Context

State and Local Distributions disbursed from the County in 2019 were not recorded in the Township's Annual Financial Report until 2020.

Criteria

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for the Township Manual, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

A similar comment appeared in a Management Letter addressed to the Officials of Jackson Township for the Compliance period ending December 31, 2017.

Condition and Context

Year-end bank account reconciliations did not balance as the Township did not reconcile all depository accounts, including its Certificates of Deposit, 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 AFRs 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](#)."

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)

OVERDRAWN CASH BALANCES

Condition and Context

The Payroll Deductions fund had an overdrawn cash balance of \$3,123 on December 31, 2021.

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (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
As of December 31, 2021

Fund	Cash and Investments 12-31-21
TOWNSHIP FUND	\$ 135,623
PARKS AND RECREATION	6,327
TOWNSHIP ASSISTANCE	41,600
FIRE FIGHTING FUND	39,441
RAINY DAY FUND	8,140
EXCESS LEVY	298
DONATIONS	800
PAYROLL DEDUCTIONS	<u>(3,123)</u>
Total	<u>\$ 229,106</u>

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

The contents of this report were communicated to Brenda Shireman, Trustee, and Jack Emly, Chair of the Township Board, on December 9, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner