



INSPECTOR GENERAL REPORT

2010-11-0286

December 16, 2010

ISFC RECONCILIATIONS

Inspector General David O. Thomas reports as follows:

This report addresses the compliance by the Indiana State Fair Commission (ISFC) with a previous review of it by the State Board of Accounts (SBOA) in Report Number B37159.

The SBOA periodically reviews state agencies for compliance with the SBOA Accounting and Uniform Compliance Guidelines Manuals (“Manuals”). IC 5-11-1-24. The SBOA may also review agencies for compliance with “any” law. IC 5-11-5-1(a).

The OIG is responsible for addressing fraud, waste, abuse, and wrongdoing in agencies. IC 4-2-7-2. The OIG is also charged to initiate, supervise, and coordinate investigations, recommend policies and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse,

mismanagement, and misconduct in state government, and to provide advice to an agency on developing, implementing, and enforcing policies and procedures to prevent or reduce the risk of fraudulent or wrongful acts within the agency. IC 4-2-7-3.

In this case, a previous SBOA finding was chosen that addressed the reconciliation of ISFC funds. These rules are addressed in the SBOA Manuals.¹

Similar to the SBOA, the OIG is likewise specifically authorized to review quasi-agencies (bodies corporate and politic) such as the ISFC. IC 4-2-7-1(1).

The State Fair cooperated in this review. Its Director of Finance responded to the inquiry by pointing out that it had changed its policy as a result of the SBOA findings. The current policy is to have one general ledger account per bank state and reconcile each bank statement to its appropriate ledger account.

This was verified by documentation. *See Exhibit A, attached.* This documentation revealed summary bank reconciliations and their corresponding bank statements. This documentation also included the reconciliations for when the new procedure was established and the most recent reconciliation. It was also verified through the documentation that the reconciliations, which are done by the Accounting Manager, are being initialed by the Director of Finance to document that they have been reviewed.

With our finding compliance with the SBOA Manuals, this investigation is

¹ Each quasi governmental unit with funds outside the state system has the responsibility to maintain appropriate accounting records, including monthly bank statement reconciliations, and internal controls. See: *Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Organizational Overview, Summary of Agency Accounting Responsibilities.*

closed.

Dated this 16th day of December, 2010.



David O. Thomas
David O. Thomas, Inspector General

Indiana State Fair Commission
Reconcile Cash Accounts

Reconciliation Date: 6/30/2010
Cash Account: 10501 Chase Fair Checking Account

Bank Balance	0.00
Less Outstanding Checks/Vouchers	57,182.18
Plus Deposits in Transit	1,715.03
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>83.50</u>
Reconciled Bank Balance	(55,383.65)
Balance Per Books	<u>(55,383.65)</u>
Unreconciled Difference	0.00

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JPMORGAN CHASE BANK, N.A.
INDIANA MARKET
P O BOX 260180
BATON ROUGE LA 70826-0180

May 29, 2010 -
June 30, 2010

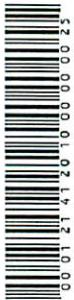
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Account Number
000000816385405

Customer Service

If you have any questions
about your statement, please
contact your Customer Service
Professional.

00001214 CEN 053 X 18210 - NNN 1 000000000 80 0000
STATE FAIR COMMISSION
FAIR ACCOUNT
1202 E 38TH ST
INDIANAPOLIS IN 46205-2807



Commercial Checking

Summary

	<i>Number</i>	<i>Amount</i>
Opening Ledger Balance		\$0.00
Deposits and Credits	149	\$1,991,573.96
Withdrawals and Debits	62	\$1,838,549.27
Checks Paid	63	\$153,024.69
Ending Ledger Balance		\$0.00

Deposits and Credits

<i>Ledger Date</i>	<i>Description</i>	<i>Amount</i>
06/01	DEPOSIT	-\$ 9,888.00 ✓
06/01	DEPOSIT	-\$ 5,746.00 ✓
06/01	DEPOSIT	-\$ 5,033.00 ✓
06/01	REMOTE ONLINE DEPOSIT 1001	-\$ 2,610.00 ✓
06/01	DEPOSIT	-\$ 2,335.64 ✓
06/01	ORIG CO NAME:PAYMENTTECH ORIG ID:1020401225 DESC DATE:100601 CO ENTRY DESCR:TRANSFER SEC:CCD TRACE#:021000025767623 EED:100601 IND ID:India0000297747 IND NAME:Indiana State Fair Com TRN: 1525767623TC	-\$ 3,816.21 ✓
06/01	ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:100531 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000025767621 EED:100601 IND ID:3130954464 IND NAME:INDIANA STAT3130954464 PAYMENT DATE 10151 TRN: 1525767621TC	-\$ 3,129.24 ✓

Please examine this statement of account at once. By continuing to use the account, you agree that: (1) the account is subject to the Bank's deposit account agreement, and (2) the Bank has no responsibility for any error in or improper charge to the account (including any unauthorized or altered check) unless you notify us in writing of this error or charge within sixty days of the mailing or availability of the first statement on which the error or charge appears.

**Indiana State Fair Commission
Reconcile Cash Accounts**

Reconciliation Date: 6/30/2010
Cash Account: 10600 Payroll Checking Account

Bank Balance	0.00
Less Outstanding Checks/Vouchers	4,746.54
Plus Deposits in Transit	0.00
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>(1,150.66)</u>
Reconciled Bank Balance	(5,897.20)
Balance Per Books	<u>(5,897.20)</u>
Unreconciled Difference	0.00
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JPMorgan Chase Bank, N.A.
Indiana Market
P O Box 260180
Baton Rouge, LA 70826 - 0180

May 29, 2010 through June 30, 2010
Account Number: 000000634766612

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

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INDIANA STATE FAIR COMMISSION
PAYROLL ACCT
1202 E 38TH ST
INDIANAPOLIS IN 46205-2807



000248803010000000023

CHECKING SUMMARY

Commercial Checking

	INSTANCES	AMOUNT
Beginning Balance		\$0.00
Deposits and Additions	21	260,509.01
Checks Paid	226	- 113,664.61
Electronic Withdrawals	2	- 146,818.13
Other Withdrawals, Fees & Charges	1	- 26.27
Ending Balance	250	\$0.00

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
06/01	Transfer From Concentration #000000816385413	\$3,669.66 ✓
06/02	Transfer From Concentration #000000816385413	1,113.55 ✓
06/03	Transfer From Concentration #000000816385413	3,290.11 ✓
06/04	Transfer From Concentration #000000816385413	95,249.93 ✓
06/07	Transfer From Concentration #000000816385413	12,984.87 ✓
06/08	Transfer From Concentration #000000816385413	16,239.16 ✓
06/09	Transfer From Concentration #000000816385413	2,021.17 ✓
06/10	Transfer From Concentration #000000816385413	807.16 ✓
06/11	Reversal of Check 126219	26.27 ✓
06/14	Transfer From Concentration #000000816385413	783.78 ✓
06/15	Transfer From Concentration #000000816385413	2,466.48 ✓
06/17	Transfer From Concentration #000000816385413	2,015.70 ✓
06/18	Transfer From Concentration #000000816385413	79,463.37 ✓
06/21	Transfer From Concentration #000000816385413	18,745.95 ✓
06/22	Transfer From Concentration #000000816385413	13,618.32 ✓
06/23	Transfer From Concentration #000000816385413	3,679.87 ✓
06/24	Transfer From Concentration #000000816385413	647.00 ✓
06/25	Transfer From Concentration #000000816385413	518.40 ✓

Indiana State Fair Commission
Reconcile Cash Accounts

Reconciliation Date: 6/30/2010
Cash Account: 10701 Chase Credit Card Cash Account

Bank Balance	0.00
Less Outstanding Checks/Vouchers	0.00
Plus Deposits in Transit	20,267.10
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>(834.75)</u>
Reconciled Bank Balance	19,432.35
Balance Per Books	<u>19,432.35</u>
Unreconciled Difference	0.00
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JPMORGAN CHASE BANK, N.A.
INDIANA MARKET
P O BOX 260180
BATON ROUGE LA 70826-0180



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STATE FAIR COMMISSION
CREDIT CARD ACCOUNT
1202 E 38TH ST
INDIANAPOLIS IN 46205-2807

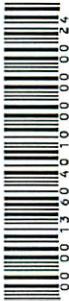
May 29, 2010 -
June 30, 2010

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Account Number
000000816385454

Customer Service

If you have any questions
about your statement, please
contact your Customer Service
Professional.



Commercial Checking

Summary

	Number	Amount
Opening Ledger Balance		\$0.00
Deposits and Credits	35	\$109,284.10
Withdrawals and Debits	29	\$109,284.10
Checks Paid	0	\$0.00
Ending Ledger Balance		\$0.00

Deposits and Credits

Ledger Date	Description	Amount
06/01	ORIG CO NAME:BANKCARD ORIG ID:3421403654 DESC DATE:100530 CO ENTRY DESCR:MTOT DEP SEC:CCD TRACE#:021000025767629 EED:100601 IND ID:498894100013150 IND NAME:INDIANA STATE FAIR COM TRN: 1525767629TC	\$6,973.69 ✓
06/01	ORIG CO NAME:BANKCARD ORIG ID:3421403654 DESC DATE:100531 CO ENTRY DESCR:MTOT DEP SEC:CCD TRACE#:021000025767633 EED:100601 IND ID:498894100013150 IND NAME:INDIANA STATE FAIR COM TRN: 1525767633TC	\$3,855.37 ✓
06/01	ORIG CO NAME:BANKCARD ORIG ID:3421403654 DESC DATE:100528 CO ENTRY DESCR:MTOT DEP SEC:CCD TRACE#:021000025767631 EED:100601 IND ID:498894100013150 IND NAME:INDIANA STATE FAIR COM TRN: 1525767631TC	\$3,349.61 ✓

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**Indiana State Fair Commission
Reconcile Cash Accounts**

Reconciliation Date: 6/30/2010
Cash Account: 10801 Chase Premium Checking Account

Bank Balance	0.00
Less Outstanding Checks/Vouchers	5,252.74
Plus Deposits in Transit	0.00
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>0.00</u>
Reconciled Bank Balance	(5,252.74)
Balance Per Books	<u>(5,252.74)</u>
Unreconciled Difference	0.00
	<u> </u>

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JPMORGAN CHASE BANK, N.A.
INDIANA MARKET
P O BOX 260180
BATON ROUGE LA 70826-0180

May 29, 2010 -
June 30, 2010

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Account Number
000000816385447

Customer Service

If you have any questions
about your statement, please
contact your Customer Service
Professional.

00001216 CEN 053 X 18210 - NNN 1 000000000 80 0000

STATE FAIR COMMISSION
PREMIUM ACCOUNT
1202 E 38TH ST
INDIANAPOLIS IN 46205-2807



Commercial Checking

Summary

	<i>Number</i>	<i>Amount</i>
Opening Ledger Balance		\$0.00
Deposits and Credits	2	\$199.00
Withdrawals and Debits	0	\$.00
Checks Paid	3	\$199.00
Ending Ledger Balance		\$0.00

Deposits and Credits

<i>Ledger Date</i>	<i>Description</i>	<i>Amount</i>
06/14	TRANSFER FROM CONCENTRATION #000000816385405	\$189.00 ✓
06/16	TRANSFER FROM CONCENTRATION #000000816385405	\$10.00 ✓
Total		\$199.00

Checks Paid

<i>Check</i>	<i>Date Paid</i>	<i>Amount</i>	<i>Check</i>	<i>Date Paid</i>	<i>Amount</i>	<i>Check</i>	<i>Date Paid</i>	<i>Amount</i>
93192	06/16	\$10.00 ✓	93711*	06/14	\$103.00 ✓	93721*	06/14	\$86.00 ✓
Total	3 check(s)							\$199.00

* indicates gap in sequence

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**Indiana State Fair Commission
Reconcile Cash Accounts**

Reconciliation Date: 6/30/2010
Cash Account: 11000 Concentration Cash Account

Bank Balance	1,800,934.83
Less Outstanding Checks/Vouchers	0.00
Plus Deposits in Transit	0.00
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>0.00</u>
Reconciled Bank Balance	1,800,934.83
Balance Per Books	<u>1,800,934.83</u>
Unreconciled Difference	0.00
	<u> </u>

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JPMORGAN CHASE BANK, N.A.
INDIANA MARKET
P O BOX 260180
BATON ROUGE LA 70826-0180

May 29, 2010 -
June 30, 2010

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Account Number
000000816385413

Customer Service

If you have any questions
about your statement, please
contact your Customer Service
Professional.

00000310 CEN 053 X 18210 - NNN 1 000000000 C2 0000
STATE FAIR COMMISSION
OPERATING ACCOUNT
1202 E 38TH ST
INDIANAPOLIS IN 46205-2807



Commercial Checking

Summary

	<i>Number</i>	<i>Amount</i>
Opening Ledger Balance		\$7,118.27
Deposits and Credits	88	\$46,381,257.82
Withdrawals and Debits	46	\$46,324,864.26
Checks Paid	0	\$.00
Ending Ledger Balance		\$63,511.83
Sweep Investment Account(s): JPMC Repurchase Agreement		\$1,737,423.00
Combined Ledger Balance		\$1,800,934.83

Deposits and Credits

<i>Ledger Date</i>	<i>Description</i>	<i>Amount</i>
06/01	RETURN OF PRINCIPAL - END-OF-DAY SWEEP REPURCHASE AGREEMENT. TRN: 1482000120XN YOUR REF: 31Y9957057148	\$3,034,478.00
06/01	TRANSFER FROM ZERO BALANCE #000000816385405	\$34,053.24
06/01	TRANSFER FROM ZERO BALANCE #000000816385454	\$16,498.45
06/01	INTEREST ON END-OF-DAY INVESTMENT PRINCIPAL = \$3,034,478.00 RATE=00.15% FOR INVESTMENT DATED 05/28/10 TRN: 1481000140XP YOUR REF: 31Y9977057148	\$50.56
06/02	RETURN OF PRINCIPAL - END-OF-DAY SWEEP REPURCHASE AGREEMENT. TRN: 1522000118XN YOUR REF: 31Y9957056152	\$3,083,902.00

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