

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
CARR TOWNSHIP  
JACKSON COUNTY, INDIANA  
January 1, 2001 to December 31, 2005



**FILED**  
09/28/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Glenn Bane	01-01-01 to 07-06-01
	Vacant	07-07-01 to 07-22-01
	Dixie Bane	07-23-01 to 12-31-02
	Mary Ann Ault	01-01-03 to 12-31-06
Chairman of the Township Board	Mary Ann Ault	01-01-01 to 12-31-02
	Hershel Willcutt	01-01-03 to 04-13-06
	Joseph Campbell	04-14-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Carr Township (Township), for the period of January 1, 2001 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2001, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 27, 2006

CARR TOWNSHIP, JACKSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2001, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-01	Receipts	Disbursements	Cash and Investments 12-31-01
Governmental Funds:				
General	\$ 37,620	\$ 88,983	\$ 19,168	\$ 107,435
Dog	(477)	166	653	(964)
Township Assistance	7,470	11,357	5,299	13,528
Fiduciary Funds:				
Carr Township Fire Territory	(4,220)	56,516	18,908	33,388
Payroll Withholdings	9,222	1,916	2,672	8,466
Totals	<u>\$ 49,615</u>	<u>\$ 158,938</u>	<u>\$ 46,700</u>	<u>\$ 161,853</u>

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 107,435	\$ 45,810	\$ 25,505	\$ 127,740
Dog	(964)	1,563	643	(44)
Township Assistance	13,528	11,008	4,673	19,863
Fiduciary Funds:				
Carr Township Fire Territory	33,388	58,678	43,873	48,193
Payroll Withholdings	8,466	1,916	13,978	(3,596)
Totals	<u>\$ 161,853</u>	<u>\$ 118,975</u>	<u>\$ 88,672</u>	<u>\$ 192,156</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 127,740	\$ 27,354	\$ 22,168	\$ 132,926
Dog	(44)	862	722	96
Township Assistance	19,863	-	6,726	13,137
Fiduciary Funds:				
Carr Township Fire Territory	48,193	19,061	18,334	48,920
Payroll Withholdings	(3,596)	2,114	2,164	(3,646)
Totals	<u>\$ 192,156</u>	<u>\$ 49,391</u>	<u>\$ 50,114</u>	<u>\$ 191,433</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 132,926	\$ 47,219	\$ 23,843	\$ 156,302
Dog	96	75	45	126
Township Assistance	13,137	12,074	6,634	18,577
Fiduciary Funds:				
Carr Township Fire Territory	48,920	42,687	67,573	24,034
Payroll Withholdings	(3,646)	2,306	2,007	(3,347)
Totals	<u>\$ 191,433</u>	<u>\$ 104,361</u>	<u>\$ 100,102</u>	<u>\$ 195,692</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 156,302	\$ 44,450	\$ 42,500	\$ 158,252
Dog	126	283	179	230
Township Assistance	18,577	32,720	13,453	37,844
Fiduciary Funds:				
Carr Township Fire Territory	24,034	73,563	64,072	33,525
Payroll Withholdings	(3,347)	2,306	2,605	(3,646)
Totals	<u>\$ 195,692</u>	<u>\$ 153,322</u>	<u>\$ 122,809</u>	<u>\$ 226,205</u>

The accompanying notes are an integral part of the schedules.

CARR TOWNSHIP, JACKSON COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Long-Term Debt

The Fire Territory entered into a loan for a new fire station. The outstanding principal at December 31, 2005, was \$24,568.32.

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the Township Fund, Township Assistance Fund, Dog Fund, and the Fire Territory Funds. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect for the Township funds and the Fire Territory funds.

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 should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$12,593.57 were paid to the Internal Revenue Service for the following tax periods:

<u>Tax Period Quarter Ending</u>	<u>Glenn Bane Penalties and Interest Expended</u>	<u>Dixie Bane Penalties and Interest Expended</u>	<u>Totals</u>
03-31-96	\$ 681.95	\$ -	\$ 681.95
06-30-96	873.93	-	873.93
09-30-96	82.26	-	82.26
03-31-97	752.07	-	752.07
06-30-97	761.83	-	761.83
09-30-97	735.11	-	735.11
12-31-97	588.59	-	588.59
03-31-98	685.21	-	685.21
06-30-98	662.46	-	662.46

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Tax Period Quarter Ending	Glenn Bane Penalties and Interest Expended	Dixie Bane Penalties and Interest Expended	Totals
09-30-98	640.66	-	640.66
12-31-98	620.18	-	620.18
03-31-99	601.58	-	601.58
06-30-99	581.00	-	581.00
09-30-99	560.84	-	560.84
12-31-99	541.09	-	541.09
03-31-00	521.39	-	521.39
06-30-00	499.86	-	499.86
09-30-00	478.72	-	478.72
12-31-00	455.25	-	455.25
03-31-01	265.56	-	265.56
06-30-01	241.64	-	241.64
03-31-02	-	178.67	178.67
06-30-02	-	159.14	159.14
09-30-02	-	152.01	152.01
12-31-02	-	272.57	272.57
Total Penalties and Interest Paid	<u>\$ 11,831.18</u>	<u>\$ 762.39</u>	<u>\$ 12,593.57</u>

Penalties and interest totaling \$1,175.99 were paid to the Indiana Department of Revenue for the following tax periods:

Tax Period Quarter Ending	Glenn Bane Penalties and Interest Expended	Dixie Bane Penalties and Interest Expended	Totals
Year 1997	\$ 52.75	\$ -	\$ 52.75
07-31-99	46.13	-	46.13
08-31-99	45.77	-	45.77
09-30-99	45.38	-	45.38
10-31-99	45.04	-	45.04
11-30-99	44.68	-	44.68
12-31-99	44.32	-	44.32
01-31-00	43.93	-	43.93
02-29-00	43.56	-	43.56
03-31-00	43.23	-	43.23
04-30-00	42.87	-	42.87
05-31-00	42.48	-	42.48
06-30-00	42.15	-	42.15
07-31-00	41.77	-	41.77

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

<u>Tax Period Quarter Ending</u>	<u>Penalties and Interest Expended</u>	<u>Penalties and Interest Expended</u>	<u>Totals</u>
08-31-00	41.41	-	41.41
09-30-00	41.05	-	41.05
10-31-00	40.65	-	40.65
11-30-00	40.30	-	40.30
12-31-00	39.89	-	39.89
01-31-01	39.46	-	39.46
02-28-01	39.08	-	39.08
03-31-01	38.68	-	38.68
04-30-01	38.27	-	38.27
05-31-01	37.84	-	37.84
06-30-01	37.44	-	37.44
06-30-02	-	117.86	117.86
Totals Penalties and Interest Paid	<u>\$ 1,058.13</u>	<u>\$ 117.86</u>	<u>\$ 1,175.99</u>

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Glenn Bane, former Trustee, was requested to reimburse the Township for the amount of \$11,831.18 paid to the Internal Revenue Service and \$1,058.13 paid to the Indiana Department of Revenue for the portion of penalties and interest related to his term as Trustee. Dixie Bane, former Trustee, was requested to reimburse the Township for the amount of \$762.39 paid to the Internal Revenue Service and \$117.86 paid to the Indiana Department of Revenue for the portion of penalties and interest related to her term as Trustee. (See Summary, page )

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Amount Expended</u>
Fire Territory Fund	2004	\$ 27,923
Fire Territory Fund	2005	14,504
Township General	2005	14,046

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PRESCRIBED FORMS

Prescribed Township Form 16, Township Trustee's Receipt, was not in use.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

FIRE TERRITORY ESTABLISHMENT

The Carr Township Fire Territory was established between Carr Township and the Town of Medora in the year 2000. The information presented for audit did not substantiate the Fire Territory's compliance with Indiana Code 36-8-19-6.

Indiana Code 36-8-19-6(a) states in part: ". . . To establish a fire protection territory, the legislative bodies of each unit desiring to become a part of the proposed territory must adopt identical **ordinances** after January 1 but before April 1 authorizing the unit to become a party to an agreement for the establishment of a fire protection territory. Before adopting an ordinance under this section, a legislative body must hold a public hearing to receive public comment on the proposed ordinance. The legislative body must give notice of the hearing under IC 5-3-1."

RECORD MAINTENANCE - FIRE TERRITORY PROVIDER UNIT

The financial records of the Carr Township Fire Territory were not maintained by the Carr Township Trustee or the Town of Medora. The Town of Medora's enabling ordinance specified the provider unit as "Carr Fire Protection Territory."

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-8-19-8 states: "(a) Upon the adoption of identical ordinances under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time."

CARR TOWNSHIP FIRE TERRITORY AND CARR TOWNSHIP  
FIRE DEPARTMENT CHARGE INVESTIGATION

While conducting the examination of Carr Township and the Carr Township Fire Territory, R. Todd Snodgrass, the former Fire Chief admitted to using Fire Territory funds for personal expenditures unrelated to the Fire Territory during the time period of August 2005 through early November 2005.

Missing bank statements and canceled checks during 2003, 2004, and 2005 were obtained as considered necessary from the Fire Territory's bank. The analysis of 2003, 2004, and 2005 disbursements and deposit activity confirmed that similar types of expense activity unrelated to the Fire Territory occurred prior to August 2005.

While conducting the investigation of the disbursement activity of the Fire Territory, we noted that several transfers were made from the Fire Territory bank account into another bank account, which was the Carr Township Volunteer Fire Department bank account. We reviewed the Carr Township Volunteer Fire Department bank account as the members of the Fire Territory are the same members of the Volunteer Fire Department. The account was reviewed back to January 2003. Similar issues occurred within the Volunteer Fire Department account as noted with the Fire Territory account.

We also reviewed possible issues with donations given to the Fire Territory that were not received by the Fire Territory. We documented that several deposits were not made intact, as a result of cash withdrawals from the deposit. One donation was cashed and never received by the Fire Territory. Also, seven payments for the Fire Department to provide fire protection at the Jackson County Fair Association Racetrack were cashed. No documentation was provided in these instances involving cash withdrawals, cash received from deposits, or checks cashed, to support the actual use of the money in question.

The following examination results and comments explain details of the charges and amounts requested for reimbursement.

UNDEPOSITED CASH RECEIPTS

Two instances were noted where \$690.31 in cash receipts was withheld from deposits, \$190.31 in 2004 and \$500.00 in 2005. The deposits consisted only of property tax distribution checks. These amounts were not deposited into the Fire Territory's bank account, and no documentation was available to determine disposition of the cash.

A donation check for \$500.00 was cashed and endorsed by R. Todd Snodgrass, former Carr Township Fire Chief, in 2005, but never deposited. Also, during 2005, seven checks totaling \$1,500.00 were cashed from Jackson County Fair Association Motor Sports Account for fire protection at the Brownstown Speedway Races. These amounts were not deposited into the Fire Territory's bank account, and no documentation was available to determine disposition of the cash.

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Indiana Code 36-8-19-8(a) states in part: ". . . the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory . . . shall be paid. The purposes described in this subsection are the sole purposes of the fund and money in the fund may not be used for any other purposes. . . ."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the amount of \$2,690.31 to the Carr Township Fire Territory Fund. (See Summary, page 23)

CASH WITHDRAWALS

There were 16 transactions involving \$2,965.00 in cash withdrawals, \$2,665.00 in 2004 and \$300.00 in 2005. Withdrawal slips contained the signature of R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief. No documentation was available to determine purchases made with the withdrawals.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the amount of \$2,965.00 to the Carr Township Fire Territory Fund. (See Summary, page 23)

EXPENDITURES UNRELATED TO THE FIRE TERRITORY –  
DOCUMENTED AND UNDOCUMENTED

The following expenditures unrelated to the Fire Territory were made with supporting documentation:

	Amount	Number of Transactions	Year 2003	Year 2004	Year 2005
Autozone	\$ 199.73	3	\$ -	\$ 74.19	\$ 125.54
Bass Masters	777.46	4	-	-	777.46
Bob Poynters	1,020.70	4	49.41	-	971.29
Brownstown Greenhouse	49.56	1	49.56	-	-
Brownstown Hardware	92.13	3	-	29.65	62.48
Car Quest	290.18	6	21.54	132.03	136.61
Cingular	1,311.84	25	186.89	433.78	691.17
CVS	83.22	2	-	-	83.22
Dollar General	46.64	1	-	-	46.64
Factory Brand Shoes	95.37	1	-	-	95.37

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

	Amount	Number of Transactions	Year 2003	Year 2004	Year 2005
Family Dollar	25.44	1	-	-	25.44
Family Drug	16.62	1	-	-	16.62
George's of Seymour	485.09	1	-	485.09	-
Home Depot	820.28	8	-	465.72	354.56
Hucks	35.00	1	-	-	35.00
Lucas-Ackerman	499.24	13	-	152.76	346.48
Moore Medical	86.52	1	86.52	-	-
Orscheln	14.83	1	-	-	14.83
Radio Shack	158.99	1	-	-	158.99
Staples	411.01	5	-	44.46	366.55
State Bank of Medora Overdraft Charge	75.00	1	-	-	75.00
Wal-Mart	2,968.21	31	-	513.99	2,454.22
	<u>\$ 9,563.06</u>	<u>115</u>	<u>\$ 393.92</u>	<u>\$ 2,331.67</u>	<u>\$ 6,837.47</u>

The following expenditures unrelated to the Fire Territory were made without supporting documentation:

	Amount	Number of Transactions	Year 2003	Year 2004	Year 2005
Autozone	\$ 927.68	7	\$ 153.69	\$ 113.00	\$ 660.99
Bass Masters	634.20	1	-	-	634.20
Bikes & Boards	42.39	1	-	-	42.39
Bob Poynters	284.93	2	-	284.93	-
Brownstown Animal Hospsital	105.21	1	-	105.21	-
Brownstown Hardware	5.05	1	-	-	5.05
Charles Cars	63.46	1	-	-	63.46
Cingular	49.59	1	-	49.59	-
Cosner Gun Shop	616.54	3	-	-	616.54
Country Cupboard	50.00	1	-	-	50.00
Craig Waggoner	20.00	1	-	-	20.00
CVS	20.11	1	-	-	20.11
Dan's Cycle Sales	258.98	2	-	-	258.98
D-D Mini Mart	35.28	2	-	-	35.28
Don's Dugout	90.00	1	-	-	90.00
Dr. Frische	22.00	1	-	-	22.00
Gall's	520.34	2	-	-	520.34
George's of Seymour	816.66	2	-	-	816.66
Hibbett	419.67	3	-	-	419.67
Hucks	5,714.62	116	-	33.09	5,681.53
Jay C	90.47	2	-	-	90.47
Kar-Kwik	265.00	1	-	-	265.00
Kasler Police Supply, Inc	243.54	1	-	-	243.54
Lucas-Ackerman	107.20	4	-	94.60	12.60

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

	Amount	Number of Transactions	Year 2003	Year 2004	Year 2005
Mike Hutchins	10.00	1	-	10.00	-
MVP Wireless/Intouch	105.94	1	-	105.94	-
Pizza Stop	23.32	2	-	-	23.32
Scott Garrett	250.00	1	-	250.00	-
Staples	31.79	1	-	31.79	-
Sunoco	90.79	3	-	-	90.79
Todd Snodgrass	1,610.00	12	-	-	1,610.00
Wal-Mart	3,221.33	25	176.89	572.69	2,471.75
	<u>\$ 16,746.09</u>	<u>204</u>	<u>\$ 330.58</u>	<u>\$ 1,650.84</u>	<u>\$ 14,764.67</u>

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the total amount of \$26,309.15 (\$9,563.06 Documented and \$16,746.09 Undocumented) to the Carr Township Fire Territory Fund. (See Summary, page 23)

UNDEPOSITED CASH RECEIPTS - VOLUNTEER FIRE DEPARTMENT

Seven instances were noted where \$622.88 in cash receipts was withheld from deposits, \$100 in 2003 and \$522.88 in 2004. The deposits consisted only of checks. These amounts were not deposited into the Volunteer Fire Department's bank account, and no documentation was available to determine disposition of the cash.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the amount of \$622.88 to the Carr Township Volunteer Fire Department Fund. (See Summary, page 23)

CASH WITHDRAWALS - VOLUNTEER FIRE DEPARTMENT

There were 53 transactions involving \$4,274.00 in cash withdrawals, \$405.00 in 2003, and \$3,800.00 in 2004 and \$69.00 in 2005. Withdrawal slips contained the signature of R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief. No documentation was available to determine purchases made with the withdrawals.

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the amount of \$4,274.00 to the Carr Township Volunteer Fire Department. (See Summary, page 23)

EXPENDITURES UNRELATED TO THE VOLUNTEER FIRE DEPARTMENT –  
DOCUMENTED AND UNDOCUMENTED

There was one disbursement for expenditures unrelated to the Volunteer Fire Department, Indiana Paging for \$55.87, that had supporting documentation.

Additionally, the following expenditures unrelated to the Volunteer Fire Department were made without supporting documentation:

	<u>Amount</u>	<u>Number of Transactions</u>	<u>Year 2003</u>	<u>Year 2004</u>	<u>Year 2005</u>
Bass Masters	\$ 178.45	2	\$ 75.10	\$ 103.35	\$ -
Big Foot Shell	40.71	1	-	40.71	-
Brownstown Hardware	74.14	1	-	74.14	-
Cingular	170.58	2	-	170.58	-
D-D Mini Mart	47.69	3	-	47.69	-
Dollar General	56.18	2	49.82	6.36	-
Hucks	354.31	9	-	354.31	-
Indiana Paging	95.00	2	-	95.00	-
Jacki Snodgrass	50.00	1	50.00	-	-
Jackson County Insurance	100.00	1	100.00	-	-
Lucas-Ackerman	43.24	2	-	43.24	-
MVP Wireless/Intouch	42.40	1	42.40	-	-
Sunoco	69.60	2	-	69.60	-
Wal-Mart	469.84	9	-	469.84	-
	<u>\$ 1,792.14</u>	<u>38</u>	<u>\$ 317.32</u>	<u>\$ 1,474.82</u>	<u>\$ -</u>

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CARR TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, has been requested to repay the amount of \$1,848.01 to the Carr Township Volunteer Fire Department. (See Summary, page 23)

AUDIT COSTS - CONDITION OF RECORDS

We noted the following concerning the records: Proper payroll withholdings were not filed from 1996 through 2002. Additional audit time was required to prepare financial statements and other information necessary for the audit report to determine amounts owed by the trustee for penalties and interest incurred and paid by Carr Township.

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Glenn Bane, former Trustee, was requested to reimburse \$1,722.95 for additional audit costs to the State of Indiana. (See Summary, page 23)

AUDIT COSTS - MISSING FUNDS

The State of Indiana incurred additional audit fees in the investigation of the missing funds of the Carr Township Fire Territory. The State of Indiana is requesting reimbursement of audit fees incurred in the amount of \$8,148.68.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief, was requested to reimburse \$8,148.68 for additional audit costs to the State of Indiana. (See Summary, page 23)

CARR TOWNSHIP, JACKSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2006, with Mary Ann Ault, Trustee. The official concurred with our findings.

The contents of this report were discussed on April 27, 2006, with Glenn Bane, former Trustee; Dixie Bane, former Trustee; and Jeff McClintock, former Township Clerk. The official response has been made a part of this report and may be found on pages 17 through 22.

The contents of this report were discussed on April 25, 2006, with R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief; and Bradley A. Johnson, Attorney for R. Todd Snodgrass.

Dixie Bane  
P.O. Box 254  
Medora, IN 47260  
Ph. (812)966-2359

Mr. Paul D. Joyce, CPA  
Deputy State Examiner  
State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, IN 46204-2765

September 19, 2006

Dear Mr. Joyce;

This letter is in response to the two Notice of Result of Examination letters received by Dixie Bane, former Carr Township Trustee of Jackson County, Indiana dated September 15, 2006.

During the time period involved (1/1/2001 – 12/31/2005) we did not follow proper procedure in filing 941 payments. We understand this & apologize. However, all funds were withheld within the Trustee account & there was never any malicious intent on our part. During this time period we received a letter from the IRS stating that we must file electronically in the future. This was not within our capabilities & after several attempts to contact the IRS in an effort to resolve this situation we became more confused than ever.

On August 2, 2002, we sent a check in the amount of \$12813.90 along with a cover letter (copies enclosed) explaining how to apply this total, & also asking for the IRS to contact us so that we could rectify the situation. It is my understanding that most of this was returned to the township after we left office & very little was applied toward our 941 debt. We were told by Mr. Bill Brown, Auditor for State Board of Accounts, that the funds were sent to the wrong IRS office internally, & that they did not know how to apply them & therefore returned most of the payment. We were never contacted by the IRS.

On December 31, 2002, we sent another check in the amount of \$1164.90 again with a cover letter explaining how to apply the payment & again asking the IRS to contact us so that we could rectify the situation. This payment was also misapplied & again we were not contacted by the IRS.

We understand that we were in error & did not make the necessary 941 payments in a timely manner. However, we did make attempts to rectify the situation & also pleaded for help from the IRS that they never responded to.

We do not feel that we should be responsible for all of the penalties & interest that built during the time period after we made the two payments & that money was returned to the township. We respectfully request that the amount owed by us be reduced based on the audit information compiled by Mr. Bill Brown.

Any consideration would be greatly appreciated by us.

Sincerely,

Dixie Bane – Former Carr Township Trustee



Jeff McClintock – Former Carr Township Clerk



**Carr Township Trustee of Jackson County, Indiana**

P.O. Box 402  
Medora, IN 47260  
Federal ID# 35-1140206

December 31, 2002

Internal Revenue Service  
P.O. Box 660264  
Dallas, TX 75266-0264  
Attn: 941 collections department

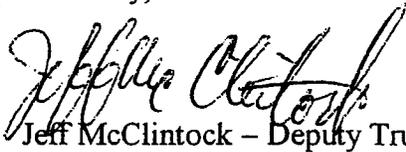
Dear Sir or Madam:

Please find enclosed check number 720 in amount of \$1164.90. Please apply toward payment of my 941 withholding taxes for the period of July, 2002 through December, 2002.

In August of 2002, I sent a letter to you along with 941 withholding payments that had not been paid in some time. That payment covered the time period up to & including June, 2002 based on the best information available to me. Also at that time, I requested the appropriate forms & booklets so that I might make future withholding payments in the normal fashion. I also requested that the IRS contact me so I could resolve this situation. To date I have not received a response. I am trying to rectify this situation based on the best information that I have. I respectfully request that you might waive any penalties due to the delinquency of this account.

My position is appointed by the elected Township Trustee. Due to a change in the elected office I will no longer hold the office of deputy trustee effective 1/1/03. Any response to this letter should be directed to Ms. Mary Anne Ault, the new township trustee at the above address. If you should need to speak with me, I can be reached at (812)358-4150 ext. 122 during normal business hours.

Sincerely,



Jeff McClintock - Deputy Trustee  
Carr Township Trustee's Office



**Carr Township Trustee of Jackson County, Indiana**

P.O. Box 402  
Medora, IN 47260  
Ph. (812) 358-4150 ext. 122  
Federal ID# 35-1140206

August 2, 2002

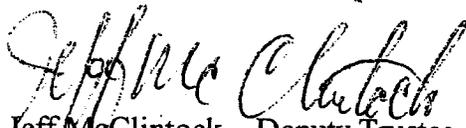
Internal Revenue Service  
P.O. Box 660264  
Dallas, TX 75266-0264  
Attn: 941 collections department

Dear Sir or Madam:

Please find enclosed check number 665 in amount of \$12,813.90. Please apply toward payment of my 941 withholding taxes that have not been paid for some time. The enclosed amount covers the period of all of 1997, 1998, 1999, 2000, 2001, & Jan. through June of 2002. Per the records I can find no 941 withholding payment has been made since December, 1996. We are a small township with a total of two employees. The trustee salary is \$550.00 per month & the deputy trustee salary is \$500.00 per month. Total monthly withholdings for the township including employee & employer contributions equals \$194.15 per month.

Please contact me when you receive this letter & check. I do not know if my withholding amounts are or have been correct all along. I would like to rectify this situation as soon as possible. I do not have the correct forms or booklets to file & pay these taxes the conventional way, & after several phone calls to local IRS branches, I have become even more confused. I realize there will be substantial penalties & interest that I will be personally responsible for these. I would respectfully ask that you waive as much penalty as you see fit. Please understand that the deductions were made on the payroll & are in the township account they were just never forwarded to the IRS. Also, could you please mail me the appropriate booklets & forms so that I can pay the 941 payments in a normal fashion from now on.

Sincerely,

  
Jeff McClintock - Deputy Trustee  
Carr Township Trustee's Office

**COPY FOR YOUR  
INFORMATION**

PRESCRIBED BY STATE BOARD OF ACCOUNTS  
This Warrant Void Two (2) Years  
After Dec. 31 of the Year of Issue.

TRUSTEE: CARR TOWNSHIP  
JACKSON COUNTY, INDIANA

TWP. FORM NO. 6 (REV. 1997)

Approp. No. T-312813<sup>90</sup>  
Approp. No. \_\_\_\_\_  
Approp. No. \_\_\_\_\_

*Township*

Fund

Date

No. 665

8/1/02

Pay to the  
Order of

*General Revenue Service* \$ 12,813<sup>90</sup> *00* *17*

*Twelve thousand eight hundred thirteen & 00/100* Dollars

State Bank of Medora  
Medora, Indiana

For

NOV 4 02

*David J. Bank*  
TRUSTEE OF ABOVE-NAMED TOWNSHIP

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CARR TOWNSHIP, JACKSON COUNTY  
SUMMARY

	Charges	Credits	Balance Due
Glenn Bane, former Trustee:			
Penalties, Interest, and Other Charges - IRS, pages 6-8	\$ 11,831.18	\$ -	\$ 11,831.18
Penalties, Interest, and Other Charges - DOR, pages 6-8	1,058.13	-	1,058.13
Audit Costs - Condition of Records, Page 15	1,722.95	-	1,722.95
Totals - Glenn Bane, former Trustee	14,612.26	-	14,612.26
Dixie Bane, former Trustee:			
Penalties, Interest, and Other Charges - IRS, pages 6-8	762.39	-	762.39
Penalties, Interest, and Other Charges - DOR, pages 6-8	117.86	-	117.86
Totals - Dixie Bane, former Trustee	880.25	-	880.25
R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief:			
Undeposited Cash Receipts, pages 10-11	2,690.31	-	2,690.31
Cash Withdrawals, page 11	2,965.00	-	2,965.00
Expenditures Unrelated to the Fire Territory - Documented, pages 11-13	9,563.06	-	9,563.06
Expenditures Unrelated to the Fire Territory - Undocumented, pages 11-13	16,746.09	-	16,746.09
Undeposited Cash Receipts - Volunteer Fire Department, page 13	622.88	-	622.88
Cash Withdrawals - Volunteer Fire Department, pages 13-14	4,274.00	-	4,274.00
Expenditures Unrelated to the Volunteer Fire Department - Documented and Undocumented, pages 14-15	1,848.01	-	1,848.01
Audit Costs - Missing Funds, page 15	8,148.68	-	8,148.68
Totals - R. Todd Snodgrass, former Carr Township Fire Territory Fire Chief	46,858.03	-	46,858.03
Totals	\$ 62,350.54	\$ -	\$ 62,350.54

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