

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

SPECIAL INVESTIGATION REPORT

OF

ASHLAND TOWNSHIP

MORGAN COUNTY, INDIANA

January 1, 2012 to November 18, 2013



FILED

01/16/2014

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TOWNSHIP OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra Norman (Vacant) Jeanne A. Walters	01-01-11 to 10-30-13 10-31-13 to 11-08-13 11-09-13 to 12-31-14
Chairman of the Township Board	Kevin Wheeler	01-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF ASHLAND TOWNSHIP, MORGAN COUNTY, INDIANA

We reviewed records of Ashland Township (Township), Morgan County, for the period January 1, 2012 to November 18, 2013. We reviewed the bank statements, check duplicates, invoices, receipts, and other available supporting documentation for compliance with applicable State laws and the Accounting and Uniform Compliance Guidelines Manual for Townships as established by the Indiana State Board of Accounts. We have noted our findings for the reporting period in the Results and Comments section of the report.

STATE BOARD OF ACCOUNTS

November 18, 2013

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS

BACKGROUND INFORMATION

On October 2, 2013, Sandra Norman, former Trustee, was arrested for criminal theft and official misconduct, based upon an investigation by the Indiana State Police. Per their investigation, Sandra Norman would write checks payable to herself out of the Township bank account, cash them, and keep the money. She would also write checks out of the Township bank account payable to friends and family members who would cash the checks and give the cash to her. No evidence was found indicating that the friends and family members had kept any of the cash for themselves. On October 9, 2013, we began a special investigation of the financial activities of the Township for the period January 1, 2012 to November 18, 2013. We obtained records of the Township from the State Police, who had issued a subpoena and still had possession. These records included various months' bank statements, check duplicates, invoices, and receipts. The State Police obtained directly from the bank, all statements from January 1, 2012 through August 20, 2013. We issued subpoenas to the bank to provide statements from August 21, 2013 through November 18, 2013. No other records, such as board minutes, ledgers, payroll withholdings, or documentation supporting disbursements were provided. The results of our investigation as presented below are based upon what was provided by the State Police and what was provided directly to us by the bank.

On October 30, 2013, Sandra Norman, former Trustee, pled guilty to theft and official misconduct and was removed from office. On November 25, 2013, Sandra Norman was sentenced and required to pay restitution to Ashland Township.

SUPPORTING DOCUMENTATION

The following payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records:

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
1133	03-28-12	\$ 1,452.63	Angela Gibson
1138	05-31-12	275.00	Anthony Ridgell
1156	05-31-12	876.29	Anthony Ridgell
3346	03-27-12	550.00	Anthony Ridgell
3364	06-22-12	2,650.00	Anthony Ridgell
3370	07-21-12	853.00	Anthony Ridgell
3426	01-24-13	350.00	Anthony Ridgell
3482	04-19-13	275.00	Anthony Ridgell
3484	04-24-13	425.00	Anthony Ridgell
3505	05-30-13	350.00	Anthony Ridgell
		<u>6,604.29</u>	

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
1095	02-07-12	<u>132.58</u>	AT&T
1131	03-18-12	935.26	Barbara Parks
3419	01-18-13	625.00	Barbara Parks
3433	02-07-13	<u>1,500.00</u>	Barbara Parks
		<u>3,060.26</u>	
1113	02-28-12	275.00	Bill Crone
1199	05-31-12	<u>275.00</u>	Bill Crone
		<u>550.00</u>	
1210	05-31-12	<u>1,000.00</u>	Brenda Scott
3397	11-07-12	<u>450.00</u>	Diane Remick
3540	08-18-13	<u>826.33</u>	Don Keith
1150	05-31-12	275.00	Don Steckler
1203	05-31-12	<u>275.00</u>	Don Steckler
		<u>550.00</u>	
1106	02-29-12	135.99	Dorothy Brummett
1166	05-31-12	800.00	Dorothy Brummett
3430	01-29-13	475.00	Dorothy Brummett
3340	03-05-12	135.99	Dottie Brummett
3416	01-13-13	350.00	Dottie Brummett
3453	03-11-13	<u>700.00</u>	Dottie Brummett
		<u>2,596.98</u>	
3427	01-27-13	475.00	Eliza Burnett
3423	01-19-13	<u>450.00</u>	Eliza Burnett
		<u>925.00</u>	

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
3333	01-22-12	300.00	ITA
3437	02-12-13	<u>470.00</u>	ITA
		<u>770.00</u>	
1108	02-29-12	575.00	Jessie Cunningham
1111	02-28-12	1,050.00	Jessie Cunningham
1112	02-28-12	975.55	Jessie Cunningham
1116	02-28-12	475.65	Jessie Cunningham
1118	02-28-12	485.26	Jessie Cunningham
1121	02-28-12	525.00	Jessie Cunningham
1122	02-28-12	545.55	Jessie Cunningham
1124	02-28-12	570.00	Jessie Cunningham
1126	02-28-12	552.00	Jessie Cunningham
1129	02-28-12	635.23	Jessie Cunningham
1130	03-16-12	953.65	Jessie Cunningham
1134	03-28-12	657.00	Jessie Cunningham
1135	03-28-12	1,875.33	Jessie Cunningham
1137	03-28-12	685.86	Jessie Cunningham
1145	05-31-12	625.00	Jessie Cunningham
1149	05-31-12	757.88	Jessie Cunningham
1152	05-31-12	1,650.00	Jessie Cunningham
1155	05-31-12	1,825.65	Jessie Cunningham
1157	05-31-12	855.65	Jessie Cunningham
1160	05-31-12	1,566.62	Jessie Cunningham
1164	05-31-12	1,150.00	Jessie Cunningham
1172	05-31-12	376.53	Jessie Cunningham
1173	05-31-12	1,256.35	Jessie Cunningham
1176	05-31-12	1,325.06	Jessie Cunningham
1181	05-31-12	853.65	Jessie Cunningham
1182	05-31-12	562.35	Jessie Cunningham
1185	05-31-12	756.35	Jessie Cunningham
1186	05-31-12	514.62	Jessie Cunningham
1188	05-31-12	602.35	Jessie Cunningham
1189	05-31-12	625.63	Jessie Cunningham
1192	05-31-12	525.00	Jessie Cunningham
1195	05-31-12	656.00	Jessie Cunningham
1196	05-31-12	1,500.00	Jessie Cunningham
1198	05-31-12	1,423.00	Jessie Cunningham
1214	05-31-12	1,246.75	Jessie Cunningham
1216	05-31-12	905.20	Jessie Cunningham
1217	05-31-12	1,123.63	Jessie Cunningham

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
1219	05-31-12	1,380.20	Jessie Cunningham
3335	03-06-12	1,000.00	Jessie Cunningham
3337	03-07-12	645.37	Jessie Cunningham
3341	03-13-12	500.00	Jessie Cunningham
3343	03-19-12	175.00	Jessie Cunningham
3347	03-22-12	275.00	Jessie Cunningham
3351	03-23-12	536.75	Jessie Cunningham
3353	06-07-12	765.00	Jessie Cunningham
3355	06-09-12	682.00	Jessie Cunningham
3356	06-12-12	526.00	Jessie Cunningham
3358	06-14-12	625.32	Jessie Cunningham
3360	06-18-12	1,123.00	Jessie Cunningham
3362	06-21-12	254.00	Jessie Cunningham
3363	07-22-12	650.00	Jessie Cunningham
3365	06-22-12	2,700.00	Jessie Cunningham
3368	07-27-12	1,325.00	Jessie Cunningham
3369	07-30-12	1,052.00	Jessie Cunningham
3373	07-30-12	825.00	Jessie Cunningham
3386	08-10-12	775.00	Jessie Cunningham
3391	08-31-12	1,976.00	Jessie Cunningham
3392	09-03-12	1,625.00	Jessie Cunningham
3394	10-30-12	900.00	Jessie Cunningham
3395	11-01-12	1,475.00	Jessie Cunningham
3398	11-06-12	2,500.00	Jessie Cunningham
3400	11-12-12	623.00	Jessie Cunningham
3404	11-19-12	1,000.00	Jessie Cunningham
3405	11-19-12	1,155.00	Jessie Cunningham
3406	11-26-12	1,200.00	Jessie Cunningham
3407	01-07-13	1,426.34	Jessie Cunningham
3409	12-20-12	1,380.32	Jessie Cunningham
3412	01-06-13	1,946.33	Jessie Cunningham
3417	01-15-13	352.26	Jessie Cunningham
3424	01-23-13	836.26	Jessie Cunningham
3432	01-30-13	675.00	Jessie Cunningham
3438	07-15-13	1,355.00	Jessie Cunningham
3451	03-11-13	625.00	Jessie Cunningham
3456	04-14-13	225.00	Jessie Cunningham
3457	03-18-13	1,223.80	Jessie Cunningham
3458	03-20-13	923.45	Jessie Cunningham
3464	03-25-13	625.00	Jessie Cunningham
3467	03-28-13	636.45	Jessie Cunningham
3468	04-02-13	1,573.28	Jessie Cunningham
3469	04-03-13	1,675.25	Jessie Cunningham

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

Check Number	Check Date	Check Amount	Payee
3474	04-09-13	802.36	Jessie Cunningham
3476	04-21-13	875.00	Jessie Cunningham
3478	04-13-13	375.00	Jessie Cunningham
3479	04-17-13	1,325.00	Jessie Cunningham
3483	04-24-13	1,326.45	Jessie Cunningham
3487	04-30-13	275.00	Jessie Cunningham
3491	04-05-13	575.00	Jessie Cunningham
3501	06-16-13	586.42	Jessie Cunningham
3506	05-30-13	1,146.47	Jessie Cunningham
3511	05-17-13	926.52	Jessie Cunningham
3513	05-22-13	768.45	Jessie Cunningham
3520	06-13-13	623.46	Jessie Cunningham
3523	06-19-13	934.29	Jessie Cunningham
3524	06-22-13	1,135.00	Jessie Cunningham
3525	06-25-13	538.42	Jessie Cunningham
3526	07-03-13	1,186.32	Jessie Cunningham
3527	07-06-13	1,621.26	Jessie Cunningham
3528	07-01-13	1,426.42	Jessie Cunningham
3529	07-17-13	1,935.00	Jessie Cunningham
3530	07-18-13	950.00	Jessie Cunningham
3531	07-19-13	875.00	Jessie Cunningham
3532	07-29-13	1,726.32	Jessie Cunningham
3533	07-28-13	982.36	Jessie Cunningham
3534	07-31-13	623.42	Jessie Cunningham
3537	07-24-13	746.32	Jessie Cunningham
3538	08-10-13	567.32	Jessie Cunningham
3539	08-14-13	368.34	Jessie Cunningham
3541	08-01-13	711.32	Jessie Cunningham
3542	08-04-13	811.46	Jessie Cunningham
3543	08-06-13	1,586.43	Jessie Cunningham
3544	08-20-13	<u>1,376.26</u>	Jessie Cunningham
		<u>106,698.12</u>	
3493	05-09-13	<u>162.37</u>	Kroger Pharmacy
3422	01-19-13	526.00	Lisa Delong
3486	04-24-13	1,025.00	Lisa Delong
3514	05-16-13	<u>675.23</u>	Lisa Delong
		<u>2,226.23</u>	

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

Check Number	Check Date	Check Amount	Payee
1139	05-31-12	274.00	Morgan County Ins. Agency
3350	03-26-12	700.00	Neal & Summens
3348	03-23-12	851.00	REMC
3399	11-08-12	1,740.11	REMC
		<u>2,591.11</u>	
1088	01-14-12	47.70	Sandra Norman
1096	02-07-12	750.00	Sandra Norman
1097	02-07-12	750.00	Sandra Norman
1098	02-08-12	1,179.37	Sandra Norman
1099	02-09-12	750.00	Sandra Norman
1100	02-10-12	750.00	Sandra Norman
1101	02-13-12	750.00	Sandra Norman
1102	02-18-12	750.00	Sandra Norman
1103	02-23-12	750.00	Sandra Norman
1105	02-29-12	1,179.37	Sandra Norman
1109	02-28-12	1,179.37	Sandra Norman
1110	02-28-12	1,179.37	Sandra Norman
1114	02-28-12	630.00	Sandra Norman
1115	02-28-12	862.00	Sandra Norman
1117	02-28-12	1,179.37	Sandra Norman
1119	02-28-12	257.36	Sandra Norman
1120	02-28-12	1,179.37	Sandra Norman
1123	02-27-12	476.42	Sandra Norman
1125	02-28-12	1,025.00	Sandra Norman
1127	02-28-12	422.75	Sandra Norman
1128	02-29-12	1,179.37	Sandra Norman
1132	03-28-12	1,178.27	Sandra Norman
1136	03-28-12	1,178.12	Sandra Norman
1141	05-31-12	1,444.37	Sandra Norman
1142	05-31-12	2,250.00	Sandra Norman
1146	05-31-12	1,400.72	Sandra Norman
1147	05-31-12	273.65	Sandra Norman
1148	05-31-12	853.25	Sandra Norman
1151	05-31-12	1,370.82	Sandra Norman
1153	05-31-12	583.60	Sandra Norman
1154	05-31-12	1,503.50	Sandra Norman
1158	05-31-12	1,400.00	Sandra Norman
1159	05-31-12	1,576.88	Sandra Norman

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
1161	05-31-12	750.00	Sandra Norman
1162	05-31-12	1,652.61	Sandra Norman
1163	05-31-12	1,204.95	Sandra Norman
1165	05-31-12	1,250.00	Sandra Norman
1167	05-31-12	557.26	Sandra Norman
1168	05-31-12	1,498.42	Sandra Norman
1169	05-31-12	1,401.02	Sandra Norman
1170	05-31-12	985.87	Sandra Norman
1171	05-31-12	1,180.56	Sandra Norman
1174	05-31-12	1,765.00	Sandra Norman
1175	05-31-12	1,325.00	Sandra Norman
1177	05-31-12	1,337.17	Sandra Norman
1179	05-31-12	750.00	Sandra Norman
1180	05-31-12	545.63	Sandra Norman
1184	05-31-12	423.68	Sandra Norman
1187	05-31-12	475.65	Sandra Norman
1190	05-31-12	235.65	Sandra Norman
1191	05-31-12	168.95	Sandra Norman
1193	05-31-12	750.00	Sandra Norman
1194	05-31-12	750.00	Sandra Norman
1197	05-31-12	1,072.65	Sandra Norman
1200	05-31-12	250.00	Sandra Norman
1201	05-31-12	1,118.36	Sandra Norman
1202	05-31-12	1,118.36	Sandra Norman
1204	05-31-12	852.61	Sandra Norman
1205	05-31-12	525.00	Sandra Norman
1206	05-31-12	498.84	Sandra Norman
1208	05-31-12	1,041.61	Sandra Norman
1209	05-31-12	973.65	Sandra Norman
1211	05-31-12	623.65	Sandra Norman
1212	05-31-12	536.63	Sandra Norman
1213	05-31-12	873.52	Sandra Norman
1215	05-31-12	791.22	Sandra Norman
1218	05-31-12	653.33	Sandra Norman
3331	01-05-12	1,179.37	Sandra Norman
3336	03-04-12	750.00	Sandra Norman
3338	03-07-12	750.00	Sandra Norman
3339	03-09-12	750.00	Sandra Norman
3342	03-15-12	625.00	Sandra Norman
3344	03-19-12	554.00	Sandra Norman
3345	03-20-12	263.00	Sandra Norman
3349	03-20-12	155.00	Sandra Norman
3352	03-23-12	1,179.00	Sandra Norman
3367	07-23-12	1,253.00	Sandra Norman

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Payee</u>
3371	07-26-12	750.00	Sandra Norman
3372	08-09-12	1,282.00	Sandra Norman
3375	08-01-12	1,500.00	Sandra Norman
3376	07-29-12	1,626.00	Sandra Norman
3379	08-07-12	1,475.00	Sandra Norman
3380	08-09-12	755.00	Sandra Norman
3381	08-09-12	1,325.00	Sandra Norman
3388	08-11-12	1,277.00	Sandra Norman
3401	11-12-12	563.65	Sandra Norman
3403	11-17-12	625.00	Sandra Norman
3436	02-10-13	1,500.00	Sandra Norman
3442	02-17-13	476.00	Sandra Norman
3443	02-18-13	1,250.00	Sandra Norman
3444	02-20-13	883.66	Sandra Norman
3447	02-20-13	376.00	Sandra Norman
3450	02-25-13	1,245.36	Sandra Norman
3354	06-08-12	1,179.32	Sandy Norman
3357	06-13-12	1,826.32	Sandy Norman
3359	06-15-12	845.00	Sandy Norman
3361	06-20-12	673.00	Sandy Norman
3366	06-22-12	2,700.00	Sandy Norman
3413	03-04-13	425.00	Sandy Norman
3452	03-08-13	375.00	Sandy Norman
3454	03-13-13	1,223.32	Sandy Norman
3455	03-14-13	676.48	Sandy Norman
3461	03-06-13	1,270.36	Sandy Norman
3463	03-22-13	1,145.32	Sandy Norman
3465	03-24-13	326.36	Sandy Norman
3466	03-26-13	1,176.45	Sandy Norman
3470	04-05-13	605.75	Sandy Norman
3471	04-02-13	1,373.42	Sandy Norman
3472	04-08-13	802.75	Sandy Norman
3477	04-27-13	526.34	Sandy Norman
3481	04-18-13	1,126.45	Sandy Norman
3485	04-24-13	836.45	Sandy Norman
3488	05-01-13	375.42	Sandy Norman
3490	05-02-13	1,526.44	Sandy Norman
3492	05-07-13	506.32	Sandy Norman
3494	05-07-13	1,650.00	Sandy Norman
3498	05-08-13	987.46	Sandy Norman
3499	06-08-13	643.26	Sandy Norman
3509	05-25-13	425.36	Sandy Norman
3510	05-28-13	455.26	Sandy Norman

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

Check Number	Check Date	Check Amount	Payee
3515	05-11-13	725.00	Sandy Norman
3516	05-11-13	583.26	Sandy Norman
3519	05-10-13	1,422.36	Sandy Norman
3521	06-06-13	546.52	Sandy Norman
3522	06-04-13	615.16	Sandy Norman
3535	07-22-13	1,423.12	Sandy Norman
3536	07-23-13	<u>877.46</u>	Sandy Norman
		<u>118,420.38</u>	
1143	05-31-12	1,535.26	Sandra Woods
1207	05-31-12	950.00	Sandra Woods
3402	11-16-12	725.00	Sandra Woods
3428	01-27-13	826.36	Sandra Woods
3439	02-14-13	1,225.66	Sandra Woods
3449	03-01-13	1,126.37	Sandra Woods
3462	03-15-13	925.33	Sandra Woods
3473	04-08-13	1,372.43	Sandra Woods
3475	04-11-13	675.45	Sandra Woods
3489	05-02-13	525.00	Sandra Woods
3408	12-17-12	1,323.35	Sandy Woods
3418	01-16-13	1,500.00	Sandy Woods
3446	02-24-13	750.00	Sandy Woods
3500	06-12-13	1,050.42	Sandy Woods
3507	05-31-13	524.67	Sandy Woods
3508	05-24-13	<u>876.49</u>	Sandy Woods
		<u>15,911.79</u>	
3495	05-08-13	<u>2,808.90</u>	South Central Indiana REMC
3460	03-01-13	<u>1,650.00</u>	Tony Staden
3518	05-12-13	<u>1,500.00</u>	Tony Stroder
	Total	<u>\$ 271,860.97</u>	

A similar comment appeared in prior Reports B42208 and B39649.

Due to the lack of supporting documentation, we could not verify the purpose of the disbursements or that salary or contractual payments were for the proper amounts. Sandra Norman, former Trustee, was requested to reimburse the Township \$271,860.97 for the disbursements made without supporting documentation. (See Summary of Charges, page 18)

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

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)

CONTRACTS

Records presented for examination indicated payments were made for cemetery mowing, maintenance, and cleaning without signed contracts.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

COMPENSATION AND BENEFITS

The Trustee and several other individuals received salary payments for the year 2012 and 2013.

Records presented for examination did not indicate the Township Board approved a salary resolution for 2012 or 2013. A similar comment appeared in prior Reports B42208 and B39649.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Indiana Code 36-6-6-10 states in part:

- "(b) The township legislative body shall fix the:
- (1) salaries;
 - (2) wages;
 - (3) rates of hourly pay; and
 - (4) remuneration other than statutory allowances,
- of all officers and employees of the township."

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

REPORTING TO FEDERAL AND STATE AGENCIES

The Township did not comply with directives of the Internal Revenue Service and Indiana Department of Revenue by failing to remit income tax and Social Security and Medicare withholdings and/or required payroll reports for 2012 and 2013. Also, the employer share of Social Security and Medicare was not paid. Additionally, payments made for cemetery mowing, maintenance, and cleaning were not reported to federal and state agencies in 2012 and 2013. A similar comment appeared in prior Reports B42208 and B39649.

On October 25, 2013, Citizens Bank received a notice of levy for a tax warrant issued by the Indiana Department of Revenue against Ashland Township in the amount of \$677.94 for delinquent taxes. As of October 25, 2013, the Township bank account at Citizen's Bank had a balance of \$400.18. The Bank issued payment from the Township account in the amount of \$400.18 as partial payment of the tax warrant. The total amount due of \$677.94 included base tax, interest, penalty, costs, damages, and collection fees to date. Sandra Norman, former Trustee, was requested to reimburse the Township \$400.18 for the amount levied for delinquent taxes, penalties, interest and other costs withdrawn from the Township bank account. (See Summary of Charges, page 18)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner in 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)

BOARD MINUTES

Minutes of meetings of the governing body were not available for examination. A similar comment appeared in prior Reports B42208 and B39649.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

(5) Any additional information required under IC 5-1.5-2-2.5."

Indiana Code 5-15-6-3(f), states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

ANNUAL REPORT

An Annual Report for 2012 was not filed with the state examiner.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

CERTIFIED REPORT NOT FILED

The Township did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2012.

Indiana Code 5-11-13-1 states in part:

"(a) Every state, county, city, town, township, or school official . . . 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 each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . .

(b) The department of local government finance may not approve the budget of a county, city, town, or township or a supplemental appropriation for a county, city, town, or township until the county, city, town, or township files an annual report under subsection (a) for the preceding calendar year."

FINANCIAL AND APPROPRIATION RECORD NOT MAINTAINED

The Trustee did not maintain an accurate Financial and Appropriation Record (Form 1C) for 2012 or 2013.

Indiana Code 36-6-4-5 states:

"The executive shall maintain:

- (1) a general account showing the total of all township receipts and expenditures; and
- (2) the financial and appropriation record of the township, which must include an itemized and accurate account of the township's financial affairs."

ASHLAND TOWNSHIP, MORGAN COUNTY
RESULTS AND COMMENTS
(Continued)

BUDGET

The Township did not submit a budget to the Indiana Department of Local Government Finance for 2012 or 2013.

Indiana Code 6-1.1-17-5 states in part:

"(a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows: . . .

(2) The proper officers of all other political subdivisions that are not school corporations, not later than November 1."

APPLICATIONS FOR TOWNSHIP ASSISTANCE

Applications for Township Assistance were either not completed or were not retained for each person who applied for Township Assistance.

Application for Township Assistance is to be completed by each person who applies for township assistance. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

Indiana Code 5-15-6-3(f) concerning destruction of public records states: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

AUDIT COSTS - MISSING FUNDS

The State of Indiana incurred additional examination fees in the investigation of the missing funds.

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)

OFFICIAL BOND INFORMATION

Sandra Norman, former Trustee, had a Public Official Bond with Auto Owners Insurance Company. The bond provided \$30,000 of coverage for the period February 10, 2011 to February 9, 2012, and for the period of February 9, 2012 to February 8, 2013. We were unable to locate a bond for the period after February 8, 2013.

ASHLAND TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

We attempted to contact Sandra Norman, former Trustee, to schedule an exit conference to discuss the contents of this report but we received no response.

ASHLAND TOWNSHIP, MORGAN COUNTY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Sandra Norman, former Trustee:			
Supporting Documentation, pages 4 through 13	\$ 271,860.97	\$ -	\$ 271,860.97
Reporting to Federal and State Agencies, page 14	<u>400.18</u>	<u>-</u>	<u>400.18</u>
Totals	<u>\$ 272,261.15</u>	<u>\$ -</u>	<u>\$ 272,261.15</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA)
)
Shelby COUNTY)

I, Beth Goss, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Ashland Township, Morgan County, Indiana, for the period from January 1, 2012 to November 18, 2013, is true and correct to the best of my knowledge and belief.

Beth Goss
Field Examiner

Subscribed and sworn to before me this 14 day of January, 2014

Guyle Lambrecht
Notary Public

My Commission Expires: 9/25/14
County of Residence: Shelby