



STATE OF INDIANA
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B43852

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July 14, 2014

TO: THE OFFICIALS OF JACKSON TOWNSHIP, JAY 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), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

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 for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://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.

Current Period Comments

- *Depository reconciliations of the fund balances to the bank balances were conducted; however the reconciliations did not balance due to the individual fund balances not agreeing with the total fund balance.*
- *The Annual Financial Report filed on Gateway contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Gateway</u>	<u>Ledger</u>	<u>Difference</u>
2011	Township	Disbursements	\$ 15,559	\$ 15,757	\$ (198)
2011	Township	Ending balance	59,625	59,427	198
2012	Township	Beginning balance	59,625	59,427	198
2012	Township	Ending balance	56,349	56,151	198

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Gateway</u>	<u>Ledger</u>	<u>Difference</u>
2012	Payroll W/H	Receipts	755	547	208
2012	Payroll W/H	Disbursements	663	455	208
2013	Township	Beginning balance	56,349	56,151	198
2013	Payroll W/H	Receipts	2,325	838	1,487
2013	Payroll W/H	Disbursements	2,491	708	1,783
2013	Township	Ending balance	53,118	52,920	198
2013	Payroll W/H	Ending balance	-	295	(295)

- The records presented for review indicated the following disbursements in excess of budgeted appropriations:

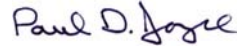
<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Township Assistance	\$ 1,610
2011	Township Assistance	342

- The Township did not adopt a resolution establishing salaries of Township officers and employees for the years 2010, 2011, 2012, and 2013.
- The Township paid \$3,396 of compensation to the Trustee and Deputy Trustee in advance of the actual date the services were provided.
- Payroll taxes withheld were not properly remitted to the IRS and the Department of Revenue.
- The Township paid penalties, interest, and other charges to Jay County and the IRS in the amount of \$427 because the Township did not remit payments on a timely basis.
- Township Assistance Standards established in accordance with Indiana Code 12-20-5.5-1 were not presented for review.
- The Township did not have a Nepotism Policy for 2012 or 2013.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 or 2013.
- The Township did not have a Contracting Policy for 2012 or 2013.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.
- The Annual Report for 2011 was not filed electronically until March 18, 2012. The Annual Report for 2012 was not filed electronically until June 27, 2013. The Annual Report for 2013 was not filed electronically until April 6, 2014. These reports were submitted 18 days, 118 days, and 37 days past the due date, respectively.
- The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010, 2011, and 2012. The reports were filed on March 21, 2011, April 25, 2012, and June 13, 2013, which is 49, 84, and 133 days past the due date, respectively.

- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 100R stated the trustee's total compensation was \$504, but the trustee actually was paid \$6,050 in 2012. The 2012 100R stated the deputy trustee's total compensation was \$200, but the deputy trustee was actually paid \$2,400 in 2012.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on April 16, 2014, with Rex Pinkerton, Trustee.


Paul D. Joyce, CPA
State Examiner