



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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July 30, 2014

TO: THE OFFICIALS OF UNION TOWNSHIP, PARKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Union Township (Township), for the period of January 1, 2011 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 2011 and later 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.

Unresolved Comment From Prior Report

- *The 100-R for 2011 was not filed electronically until March 13, 2012, which was 42 days past the due date.*

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 33 months during the review period.*
- *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 and 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.*

- *Receipts were not properly posted to the Township Ledger. The February 3, 2012, distribution from Parke County was not deposited until February 22, 2012, and was not posted until March 1, 2012. Two distributions in 2013 were deposited timely, but not posted until more than 60 days after the receipt date. The February 5, 2013, distribution was not posted until February 20, 2013.*
- *Receipts were deposited later than the first and fifteenth of the month. Distribution dated February 3, 2012, was not deposited until February 22, 2012. The February 5, 2013, distribution was not deposited until February 20, 2013.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees.*
- *The Township paid compensation in advance of the actual date the services were provided. The Trustee and Clerk were paid at the beginning of each month.*
- *Township Board members were paid without the Township withholding federal, state, and local taxes. Township Board members were issued IRS 1099 instead of the proper W-2 forms.*
- *The Annual Financial Report filed on Gateway for 2013 contained an error and did not properly reflect the financial activity of the Township.*

| <u>Year</u> | <u>Fund</u> | <u>(Beginning Balance, Receipt, Disbursement, End Balance) Category</u> | <u>Amount per Gateway</u> | <u>Amount Per Township Ledger</u> | <u>Difference</u> |
|-------------|-------------|---------------------------------------------------------------------------------|-------------------------------|---------------------------------------|-------------------|
| 2013 | Rainy Day | Receipt | \$ - | \$ 325.36 | \$ (325.36) |
| 2013 | Rainy Day | End Balance | - | 325.36 | (325.36) |

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 June 16, 2014, with Brent Jeffries, Trustee for the period November 1, 2013 through December 31, 2013. The contents of this letter were discussed on June 17, 2014, with Sean Lucas, Trustee for the period January 1, 2011 through October 31, 2013. Any Official Response attached to this letter was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Brent Jeffries
Union Township Trustee
2276 So. St. Rd. 59
Rockville, IN 47872

June 18, 2014

To Whom It May Concern,

Concerning the audit period that was reviewed by the State Board of Accounts on behalf of Union Township, Parke County, Indiana, I, Brent Jeffries, was only the trustee for the last two months of the three year period. The findings are not a direct reflection of how my office operates.

Thank You,

Brent Jeffries