



STATE OF INDIANA
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B44139

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August 27, 2014

TO: THE OFFICIALS OF MITCHELTREE TOWNSHIP, MARTIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Mitcheltree 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 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.

Unresolved Comment From Prior Report

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for 36 months during the review period. Records presented for review indicate monthly reconciliations were not done. As of December 31, 2013, the bank account reconciliation identified a cash short in the amount of \$23,501.28.*

Current Period Comments

- *The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Year</u>	<u>Fund</u>	<u>(Beg Bal, Receipt, Disb, End Bal) Category</u>	<u>Amount per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Beg Bal	\$ 112,104.11	\$ 112,579.05	\$ (474.94)
2011	Township Assistance	Beg Bal	10,546.44	18,928.04	(8,381.60)
2011	Fire Fighting	Beg Bal	6,815.95	12,138.95	(5,323.00)
2011	Levy Excess	Beg Bal	96.66	-	96.66
2011	Library	Beg Bal	4,079.79	5,944.62	(1,864.83)
2011	Township	End Bal	142,651.36	143,896.94	(1,245.58)
2011	Township Assistance	End Bal	23,704.06	32,418.30	(8,714.24)
2011	Fire Fighting	End Bal	11,166.16	16,489.16	(5,323.00)
2011	Levy Excess	End Bal	96.66	-	96.66
2011	Library	End Bal	4,677.22	6,542.05	(1,864.83)
2012	Township	Beg Bal	142,651.36	143,896.94	(1,245.58)
2012	Township Assistance	Beg Bal	23,704.06	28,340.07	(4,636.01)
2012	Fire Fighting	Beg Bal	11,166.16	16,489.16	(5,323.00)
2012	Township	Rec	38,734.55	36,604.45	2,130.10
2012	Township Assistance	Rec	17,092.09	15,748.53	1,343.56
2012	Fire Fighting	Rec	4,794.91	4,417.98	376.93
2012	Township	Disb	13,918.05	13,462.81	455.24
2012	Township Assistance	Disb	8,965.44	8,602.02	363.42
2012	Township	End Bal	167,467.86	167,038.69	429.17
2012	Township Assistance	End Bal	31,830.71	37,024.04	(5,193.33)
2012	Fire Fighting	End Bal	13,961.07	20,907.14	(6,946.07)
2012	Levy Excess	Beg Bal	96.66	-	96.66
2012	Levy Excess	End Bal	96.66	-	96.66
2012	Library	Beg Bal	4,677.22	6,542.05	(1,864.83)
2012	Library	Rec	1,263.23	1,163.93	99.30
2012	Library	End Bal	4,940.45	7,705.98	(2,765.53)
2013	Township	Beg Bal	167,467.86	167,038.69	429.17
2013	Township Assistance	Beg Bal	31,830.71	39,142.60	(7,311.89)
2013	Fire Fighting	Beg Bal	13,961.07	20,907.14	(6,946.07)
2013	Excess Levy	Beg Bal	96.66	-	96.66
2013	Excess Levy	End Bal	96.66	-	96.66
2013	Library	Beg Bal	4,940.45	7,705.98	(2,765.53)
2013	Library	Rec	1,041.97	949.49	92.48
2013	Library	End Bal	5,982.42	8,655.47	(2,673.05)
2013	Township	Rec	29,672.38	28,526.12	1,146.26
2013	Township Assistance	Rec	14,121.48	12,868.14	1,253.34
2013	Fire Fighting	Rec	4,441.40	4,047.15	394.25
2013	Township	Disb	20,493.29	14,096.71	6,396.58
2013	Township Assistance	Disb	4,857.28	5,349.98	(492.70)
2013	Fire Fighting	Disb	-	2,000.00	(2,000.00)
2013	Township	End Bal	176,646.95	181,218.10	(4,571.15)
2013	Township Assistance	End Bal	41,094.91	46,660.76	(5,565.85)
2013	Fire Fighting	End Bal	18,402.47	24,954.29	(6,551.82)

- *Receipts were deposited later than the first and fifteenth of the month. Three receipts were found deposited up to 29 days after the first or fifteenth day of the month.*
- *The Township Board salary was reduced in 2012 from 2011.*
- *The Township paid \$1,437.50 of compensation in advance of the actual date the services were provided.*
- *Not all W-2s were presented for review.*
- *Payments made for mowing in 2011 did not comply with the amount in the written contract. It appears \$2,700 was paid when the contract was for \$3,000. A 1099 was issued for \$3,000.*
- *The Trustee's Surety Bond was insufficient per the Indiana Code 5-4-1-18 for 2011, 2012, and 2013. The Trustee was bonded in each year for \$15,000.*
- *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.*
- *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.*
- *Several payments for forms, supplies, and tree work were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.*

<u>Check Number</u>	<u>Payee</u>	<u>Check Date</u>	<u>Check Amount</u>
635	Goble Forms & Printing	02-28-11	\$ 249.00
648	James Norman	05-01-11	150.00
665	James Norman	06-16-11	100.00
Bank card	Greenwell Hardware	07-30-11	22.02
819	James Norman	02-19-13	500.00
826	James Norman	03-22-13	200.00
876	Boyce Forms	11-26-13	72.37

- *Township Assistance Standards were not presented for review.*

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 July 1, 2014, with James Norman, Trustee.

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