



STATE OF INDIANA
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B44318

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October 16, 2014

TO: THE OFFICIALS OF JENNINGS TOWNSHIP, FAYETTE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Jennings 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 Comments From Prior Reports

- *The Township fund had overdrawn balances of \$8,138.34, \$9,025.67, and \$9,975.06 as of December 31, 2011, 2012, and 2013, respectively. A similar comment appeared in prior Reports B36508 and B39293.*

Current Period Comments

- *The Township is a Going Concern risk. The Township fund continued to pay salaries and FICA matching while increasing the amount of negative balance in the Township fund and despite not having sufficient budget appropriations to disburse from the Township fund. The Township had a total fund balance at the end of 2013 of \$660.24. By January 13, 2014, the total bank account balance fell to \$67.84.*
- *Payments made for fire protection did not comply with the amount in the written contract. The contract was underpaid due to insufficient funds in the bank account as a result of the Township fund being overdrawn.*

- A Payroll Withholding fund was not used to track payroll withholdings and remittances.
- Depository reconciliations of the fund balances to the bank account balances were not performed for the period reviewed.
- 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>
2011	Township	\$ 4,509
2012	Township	4,552
2013	Township	4,558

- Receipts were not properly posted to the Township ledger. The 2011 and 2013 CVET distributions for the Fire Fighting fund were posted to the Township fund. Additionally, the December 2011 Settlement was overposted to the Township fund and underposted to the Fire Fighting fund in the amount of \$218. The ending result is a total due of \$252 to the Fire Fighting fund from the Township fund.
- Receipts were deposited later than the first and fifteenth of the month as noted below:


<u>Description</u>	<u>Date Received</u>	<u>Date Deposited</u>
October 2011 COIT	10-15-11	12-15-11
June 2012 COIT, CVET, and Settlement	All prior to 06-27-12	07-10-12
April 2013 COIT	04-15-13	05-07-13
May 2013 COIT	05-15-13	06-07-13
September 2013 COIT	09-06-13	10-04-13
May 2013 COIT	11-05-13	12-02-13

- The Township did not adopt a resolution establishing salaries of Township officers and employees in 2011, 2012, or 2013.
- Board members of the Township were paid without the Township withholding federal taxes.
- The Trustee's Surety Bond was insufficient per the Indiana Code 5-4-1-18.
- The Township did not have a Nepotism Policy for 2012.
- 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 December 31, 2013.
- The Township did not have a Contracting Policy for 2012.
- 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 Financial Report for 2011 was not filed electronically until April 24, 2012, which was 54 days past the due date.

- *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 2011. The 2011 report was filed on April 26, 2012, which was 85 days past the due date.*

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 18, 2014, with Wayne E. Scholl, Trustee.


Paul D. Joyce, CPA
State Examiner