



STATE OF INDIANA
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B44325

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 16, 2014

TO: THE OFFICIALS OF KANKAKEE TOWNSHIP, LAPORTE COUNTY, INDIANA

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

Current Period Comments

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, or an optical image of the front and back side of the checks for 2012 and 2013.*
- *The Annual Financial Report filed using the Gateway system did not properly reflect the financial activity of the Township for the years 2012 and 2013. The cause of the differences were mainly due to recording correcting entries to adjust the amount of tax distributions received from the County. The differences are detailed in the following table:*

<u>Years</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>
2012	Township	Beg Bal	\$ 65.35	\$ (18,034.65)	\$ 18,100.00
		Disb	47,511.52	29,411.52	18,100.00
	Township Asst	Receipt	4,062.09	(3,692.45)	7,754.54
		Disb	9,890.42	2,135.88	7,754.54
	Fire Fighting	Beg Bal	468.90	(48,531.10)	49,000.00
		Disb	248,654.17	199,654.17	49,000.00
	Cumulative Fire	Beg Bal	5,011.65	72,111.65	(67,100.00)
		Receipt	90,025.74	22,925.74	67,100.00
	Fire Debt	Receipt	26,043.31	(30,809.33)	56,852.64
		Disb	96,017.72	39,165.08	56,852.64
2013	Township	Beg Bal	27.58	(7,872.42)	7,900.00
		Disb	35,611.71	28,711.71	6,900.00
	Township Asst	Receipt	7,938.08	5,404.50	2,533.58
		Disb	4,590.04	2,056.46	2,533.58
	Fire Fighting	Beg Bal	65.51	(32,934.49)	33,000.00
		Disb	222,302.51	189,302.51	33,000.00
	Fire Debt	Receipt	4,087.40	(7,754.51)	11,841.91
		Disb	51,006.99	39,165.08	11,841.91
	Riverboat	Beg Bal	8,792.33	48,692.33	(39,900.00)
		Receipt	53,038.00	13,138.00	39,900.00

- *The following funds had overdrawn cash balances at December 31, 2013:*


*Fire Debt - \$25,944.10
 Fire Fighting - \$60,636.50
 Township - \$7,530.56*

- *The Township did not adopt a resolution establishing salaries of Township officers and employees.*
- *Employees of the Township were paid without the Township withholding state and local taxes.*
- *The Township did not have a service contract for clerical assistance.*
- *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 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.*
- *The Annual Financial Report for 2012, which was due March 1, 2013, was not filed electronically until April 13, 2013.*

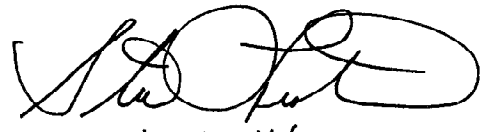
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011. The report was filed on March 12, 2012, which is 40 days past the due date.*

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 May 29, 2014, with Steve Lestinsky, Jr., Trustee. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner

2. This is also due to not receiving tax draws from the county in a timely manner.
3. The bank account was never overdrawn for 2013. The funds were underfunded due to not receiving tax draws from the county.
4. Salaries of township officers and employees were advertized to the public, and adopted and approved by the advisory board, and approved by DLGF.
1. Optical images are available online. I am currently working with the bank to get copies of cancelled checks.
5. Employees of the township had social security tax withheld as required by the IRS.
6. No relatives worked for the township in 2012 or 2013, the Nepotism Policy will be adopted for 2014.
10. The annual report for 2012 was advertized on time in the Westville Indicator, because of the new electronic filing system it was not sent until requested.


6-9-14