



**STATE OF INDIANA**  
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B44583

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December 10, 2014

TO: THE OFFICIALS OF SPRINGFIELD TOWNSHIP, FRANKLIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Springfield 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/](http://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 Report***

- *The Annual Financial Reports 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>Amount Per Gateway</u> | <u>Amount Per Adjusted Township Ledger</u> | <u>Difference</u> |
|--------------|---------------------|-------------------|---------------------------|--|-------------------|
| 2011         | Township            | Beginning Balance | \$ 99,909.28              | \$ 101,221.44                              | \$ (1,312.16)     |
| 2011         | Township            | Receipts          | 16,209.64                 | 16,229.41                                  | (19.77)           |
| 2011         | Township            | Disbursements     | 15,754.98                 | 10,851.11                                  | 4,903.87          |
| 2011         | Township            | Ending Balance    | 100,363.94                | 106,599.74                                 | (6,235.80)        |
| 2011         | Township Assistance | Beginning Balance | (2,119.75)                | (2,319.75)                                 | 200.00            |
| 2011         | Township Assistance | Receipts          | 9,903.49                  | 5,768.93                                   | 4,134.56          |
| 2011         | Township Assistance | Disbursements     | 7,783.74                  | 7,711.85                                   | 71.89             |
| 2011         | Township Assistance | Ending Balance    | -                         | (4,262.67)                                 | 4,262.67          |
| 2012         | Township            | Beginning Balance | 100,363.94                | 106,599.74                                 | (6,235.80)        |
| 2012         | Township            | Disbursements     | 10,781.62                 | 10,799.62                                  | (18.00)           |
| 2012         | Township            | Ending Balance    | 106,802.74                | 113,020.54                                 | (6,217.80)        |
| 2012         | Township Assistance | Beginning Balance | -                         | (4,262.67)                                 | 4,262.67          |
| 2012         | Township Assistance | Receipts          | 12,708.64                 | 7,708.74                                   | 4,999.90          |
| 2012         | Township Assistance | Ending Balance    | (159.92)                  | (9,422.49)                                 | 9,262.57          |
| 2013         | Township            | Beginning Balance | 106,802.74                | 113,020.54                                 | (6,217.80)        |
| 2013         | Township            | Disbursements     | 9,177.74                  | 8,477.60                                   | 700.14            |
| 2013         | Township            | Ending Balance    | 109,764.27                | 116,682.21                                 | (6,917.94)        |
| 2013         | Township Assistance | Beginning Balance | (159.92)                  | (9,422.49)                                 | 9,262.57          |
| 2013         | Township Assistance | Receipts          | 5,998.70                  | 5,998.79                                   | (0.09)            |
| 2013         | Township Assistance | Disbursements     | 10,697.68                 | 11,499.32                                  | (801.64)          |
| 2013         | Township Assistance | Ending Balance    | (4,858.90)                | (14,923.02)                                | 10,064.12         |

- The following funds had overdrawn balances at December 31:

| <u>Years</u> | <u>Fund</u>         | <u>Amount Overdrawn</u> |
|--------------|---------------------|-------------------------|
| 2010         | Township Assistance | \$ 2,320                |
| 2011         | Township Assistance | 4,263                   |
| 2012         | Township Assistance | 9,422                   |
| 2013         | Township Assistance | 14,923                  |

- There were a considerable number of posting errors in the Township ledgers. These errors included deposits and interest not receipted, checks not posted, and checks and receipts posted in the incorrect amounts.
- Depository reconciliations of the fund balances to the bank account balances were not completed for 48 months during the review period.
- The records presented for review indicated the following disbursement in excess of budgeted appropriation:

| <u>Year</u> | <u>Fund</u>         | <u>Excess Amount Disbursed</u> |
|-------------|---------------------|--------------------------------|
| 2012        | Township Assistance | \$ 4,175                       |


- Receipts were not deposited by the the first and fifteenth of the month. Some receipts were deposited several months after they were received.
- Employees of the Township were paid without the Township withholding Social Security or Medicare taxes.
- Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.
- Applications for Township Assistance (Form TA-1) and Notices of Township Assistance Action (Form TA-1A) were not on file for any Township Assistance payments.

### **Current Period Comments**

- *A 2013 CAGIT distribution of \$844.83 was not posted or deposited in 2013. The deposit was made August 12, 2014.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees in 2010, 2011, 2012, or 2013.*
- *W-2s were not issued to any employee in 2010, 2011, 2012, or 2013.*
- *Payments made for fire protection were not supported by a written contract in 2010, 2011, and 2013. The Board minutes indicated that contracts were approved but they were not presented for review.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The 2014 Board minutes were not provided so it could not be determined if the Board had the required meeting to review and adopt the 2013 Annual Report in accordance with Indiana Code 36-6-6-9 for 2013.*
- *The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2010, 2011, 2012, or 2013.*
- *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 Township did not timely file the Annual Financial Report with the Indiana State Board of Accounts for 2013. The report was filed on April 7, 2014, which was 38 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 2010. The report was filed on May 9, 2011, which was 99 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 August 18, 2014, with Ervin Roberts, Chairman of Township Board.

  
Paul D. Joyce, CPA  
State Examiner