



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

January 16, 2015

TO: THE OFFICIALS OF JACKSON TOWNSHIP, SHELBY COUNTY, INDIANA

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

- 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	\$ 1,416.64
2013	Township	2,588.43
2013	Fire Fighting	2,000.00

- Payments to the Trustee and Board members were made without withholding Social Security or Medicare taxes. Additionally, W-2s were not issued.

- The Township paid compensation to the Board members in advance of the actual date the services were provided.
- Depository reconciliations of the fund balances to the bank account balances were not presented for review for 2011, 2012, or 2013.
- There were a considerable number of posting errors. These errors included deposits not receipted and checks and receipts not recorded in the proper amounts. Additionally, errors identified in the prior review had not been corrected.
- Payments were made for cemetery care in 2011, 2012, and 2013 without a contract. Payments were made for fire protection in 2011 and 2013 without a contract.

Current Period Comments

- The 2012 Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete. The report did not include the Trustee's compensation of \$9,600.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, or 2013.
- 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.


Years	Fund	Category	Amount Per Gateway	Adjusted Township Ledger	Difference
2011	Township	Beginning Balance	\$ 7,083.51	\$ 14,653.87	\$ (7,570.36)
2011	Township Assistance	Beginning Balance	5,066.36	5,198.25	(131.89)
2011	Fire Fighting	Beginning Balance	6,175.78	9,549.73	(3,373.95)
2011	Township	Receipts	-	13,615.95	(13,615.95)
2011	Township Assistance	Receipts	-	4,598.39	(4,598.39)
2011	Fire Fighting	Receipts	-	9,536.99	(9,536.99)
2011	Township	Disbursements	-	19,136.64	(19,136.64)
2011	Township Assistance	Disbursements	-	1,568.89	(1,568.89)
2011	Fire Fighting	Disbursements	-	8,000.00	(8,000.00)
2011	Township	Ending Balance	7,083.51	9,133.18	(2,049.67)
2011	Township Assistance	Ending Balance	5,066.36	8,227.75	(3,161.39)
2011	Fire Fighting	Ending Balance	6,175.78	11,086.72	(4,910.94)
2012	Township	Beginning Balance	1,038.38	9,133.18	(8,094.80)
2012	Township Assistance	Beginning Balance	8,096.46	8,227.75	(131.29)
2012	Fire Fighting	Beginning Balance	12,047.71	11,086.72	960.99
2012	Township	Receipts	22,333.74	18,174.00	4,159.74
2012	Fire Fighting	Receipts	3,659.41	7,994.15	(4,334.74)
2012	Township	Disbursements	14,526.75	14,466.75	60.00
2012	Township	Ending Balance	8,845.37	12,840.43	(3,995.06)
2012	Township Assistance	Ending Balance	7,537.26	7,668.55	(131.29)
2012	Fire Fighting	Ending Balance	7,707.12	11,080.87	(3,373.75)
2013	Township	Beginning Balance	8,845.37	12,840.43	(3,995.06)
2013	Township Assistance	Beginning Balance	7,537.26	7,668.55	(131.29)
2013	Fire Fighting	Beginning Balance	7,707.12	11,080.87	(3,373.75)
2013	Township	Receipts	22,001.05	15,326.45	6,674.60
2013	Township	Ending Balance	14,142.99	11,463.45	2,679.54
2013	Township Assistance	Ending Balance	10,712.28	10,843.57	(131.29)
2013	Fire Fighting	Ending Balance	7,466.02	10,839.77	(3,373.75)

- 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.*

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 2, 2014, with Alice L. Pile, Trustee.


Paul D. Joyce, CPA
State Examiner