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B44853

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February 27, 2015

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

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

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2010, 2011, 2012, and 2013. Because no reconcilements were presented, we performed year-end reconcilements as of December 31, 2010, 2011, 2012, and 2013. Our reconciliation of the fund balances to the bank account balances identified several posting errors. These errors included deposits and interest not receipted, computation errors, and a deposit posted twice.*
- *The Township's financial institution did not return the actual nor images of the cancelled checks with the monthly bank statements during 2010, 2011, 2012, or 2013.*

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

Years	Fund	(Beg Bal, Receipt, Disb, End Bal) Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2011	Township	Beginning Balance	\$ 58,547.12	\$ 49,552.08	\$ 8,995.04
2011	Township	Ending Balance	37,065.50	28,070.46	8,995.04
2012	Township	Beginning Balance	37,065.50	28,070.46	8,995.04
2012	Township	Receipts	25,127.19	25,037.20	89.99
2012	Township	Ending Balance	23,720.47	14,635.44	9,085.03
2013	Township	Beginning Balance	23,720.47	14,635.44	9,085.03
2013	Township	Receipts	33,050.88	33,035.88	15.00
2013	Township	Ending Balance	18,394.25	9,294.22	9,100.03
2013	Levy Excess	Disbursements	178.07	-	178.07


- The records presented indicated the following disbursements in excess of budgeted appropriations for 2010:

Fund	Excess Amount Disbursed
Township	\$ 34,220
Township Assistance	13,172
Fire Fighting	4,842
Cumulative Fire	65,000

- Receipts were not always deposited by the first and fifteenth of the month.
- Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records during 2010.
- Township assistance payments were made without Applications for Township Assistance on file during 2010.
- 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 10, 2011, which was 99 days past the due date.
- 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 May 5, 2014, with Jerry D. Otte, Trustee.


Paul D. Joyce, CPA
State Examiner