



STATE OF INDIANA
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March 13, 2015

TO: THE OFFICIALS OF MILTON TOWNSHIP, JEFFERSON COUNTY, INDIANA

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

Unresolved Comments From Prior Reports

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for all 48 months of the review period.*
- *The Financial and Appropriation Record was not properly posted, totaled, and balanced for the year 2013.*
- *The Annual Financial Report filed on Gateway for 2012 contained a number of errors and did not properly reflect the cash balances of the Township. The following is a schedule of these differences:*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2012	Township	Beg Balance	\$ 42,486.32	\$ 21,243.16	\$ 21,243.16
2012	Township	Ending Balance	33,642.46	12,399.30	21,243.16
2012	Township Assistance	Beg Balance	21,918.20	10,959.10	10,959.10
2012	Township Assistance	Ending Balance	20,517.11	9,558.01	10,959.10
2012	Firefighting	Beg Balance	18,628.98	9,314.49	9,314.49
2012	Firefighting	Ending Balance	10,128.98	814.49	9,314.49

Current Period Comments

- The Township did not formulate a budget estimate; propose tax rates; propose tax levies; or hold a public hearing on budgets for the years 2011, 2012, and 2013 as required by Indiana Code 6-1.1-17-3. The Township continued to use appropriations certified by the Indiana Department of Local Government Finance for the year 2010.

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Township	\$ 5,041.97
2011	Township Assistance	2,866.00
2011	Firefighting	8,500.00
2012	Township	8,843.86
2012	Township Assistance	1,401.09
2012	Firefighting	8,500.00
2013	Township	5,606.71
2013	Township Assistance	368.00
2013	Firefighting	7,900.00

Property tax distributions received from the County were deposited later than the first and fifteenth of the month. The following schedule is a comparison of the date taxes were distributed by the County to the date the distribution was deposited by the Township:

<u>Amount</u>	<u>County Distribution Date</u>	<u>Date Deposited</u>	<u>Number of Days Held</u>
\$ 7,252.29	12-15-09	02-04-10	51
10,708.80	06-14-10	09-06-11	449
8,169.99	12-10-10	09-06-11	270
11,503.86	06-17-11	09-06-11	81
7,593.32	12-20-11	03-04-13	440
12,189.63	06-14-12	03-04-13	263
7,050.37	12-20-12	03-04-13	74
11,491.58	06-06-13	03-25-14	292
7,105.51	12-18-13	03-25-14	97

- The Township did not adopt a resolution establishing salaries of Township officers and employees for the years 2010, 2011, 2012, and 2013. In lieu of approving salaries by a resolution, salaries were approved in the Township budget.

- *Tammy Stewart, former Trustee, did not pay herself in accordance with the salaries approved in the Township budget. A comparison of the Trustee's approved salary and actual salary paid showed the following variances:*

<u>Years</u>	<u>Approved Salary</u>	<u>Salary Paid</u>	<u>Variance</u>
2010	\$ 5,000.00	\$ 2,905.00	\$ 2,095.00
2011	5,000.00	4,585.00	415.00
2012	5,000.00	7,905.00	(2,905.00)
2013	5,000.00	4,980.00	20.00
2014 (1)	<u>1,150.68</u>	<u>-</u>	<u>1,150.68</u>
Totals	<u>\$ 21,150.68</u>	<u>\$ 20,375.00</u>	<u>\$ 775.68</u>

Note to Schedule: (1) Tammy Stewart resigned March 25, 2014, thus was entitled to 84 days of pay in the year 2014.

- *Township Board members were paid without the Township withholding federal, state, and local taxes.*
- *Payroll taxes withheld were not properly remitted to the IRS. As of December 31, 2013, there was a total of \$2,145.43 in payroll withholding taxes from the years 2009 through 2013 which were due to the IRS.*
- *W-2s were not issued for the Township officials.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *Minutes of meetings of the Township Board for the year 2011 were not presented for review. The minute book of the Township Board meetings showed that there was only one Board member present to conduct business at the Township Board meetings during the years 2012 and 2013. Two members are required to be present in order to have a quorum.*
- *The Township did not have the required meeting to review and adopt the Annual Financial Report in accordance with Indiana Code 36-6-6-9 for the years 2011 and 2013. A quorum was not present to approve the Annual Financial Report for the year 2012.*
- *The Annual Financial Report was not published in accordance with Indiana Code 36-6-4-13 for the years 2010, 2012, and 2013.*
- *The former Trustee did not obtain an individual Surety Bond for the years 2011, 2012, 2013, and 2014. The current Trustee obtained the required individual Surety Bond.*
- *The Township did not have a Nepotism Policy for the year 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 December 31, 2013.*
- *The Township did not have a Contracting With a Unit Policy for the year 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 December 31, 2013.*
- *The Annual Financial Report for the years 2012 and 2013 that was due to be filed by March 1 of each respective year was not filed electronically until March 2, 2013, and May 22, 2014, respectively.*
- *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 the years 2010, 2011, 2012, and 2013. The reports were filed on July 18, 2011, July 30, 2012, March 1, 2013, and May 15, 2014, which was 168 days, 181 days, 29 days, and 104 days, respectively, 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 24, 2014, with Karen Shuler, Trustee, and Robert J. Jacobson, Chairman of the Township Board. The contents of this letter were also discussed on June 26, 2014, with Tammy Stewart, former Trustee.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner