



STATE OF INDIANA
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B45057

STATE BOARD OF ACCOUNTS
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April 21, 2015

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

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

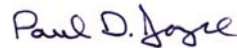
- *The financial institution did not return the actual cancelled checks or optical image of checks with the monthly bank statements.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2013	Fire Fighting	\$ (55,659.52)
2013	Cumulative Fire	(275,000.00)

- *The Township did not adopt a resolution establishing salaries of Township officers and employees.*
- *Payments made for cleaning services were not supported by a written contract.*
- *Several credit card payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, or other public records.*
- *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.*
- *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.*

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 communicated electronically on February 24, 2015, with Greg Smith, former Trustee. Any official response included has not been verified for its accuracy.


Paul D. Joyce, CPA
State Examiner

149 Dogwood Drive
La Porte, IN 46350

February 26, 2015

Mr. Paul D. Joyce, CPA
State Examiner
Indiana State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204-2765

Re: Official Response to Examination for Center Township, La Porte County

Dear Mr. Joyce,

I am in receipt of your examiner's report concerning compliance with applicable standards for the three year period of 2011, 2012, and 2013.

It should be noted that I was not present for this examination due to my being out of town for the two days she was on-site. When I was notified of the date only two days in advance of her arrival I tried to get the exam re-scheduled, but was informed that it would not be possible. Further, this examination was conducted in October, 2013, and the exit conference was conducted by email some four months later, fully two months after my retirement and leaving office. With that in mind I would like to offer my comments for inclusion in the official records.

1. *Actual cancelled checks not being returned by the financial institution.* Our bank (The La Porte Savings Bank) has not offered this service for my entire eight years in office. In lieu of that action, we always made photo copies of each check and checked those against the bank statements each month to insure a correct accounting.
2. *No adoption of resolution establishing salaries.* Upon the advice of township counsel, the annual budget served as the "permission to spend" relative to all personnel. That not only served as a resolution, but was published so that the public was informed as well.
3. *Payments for rent and cleaning services not supported by a written contract.* These charges did not change for my entire tenure as trustee. I inherited these amounts and, as such, both items served as "de facto" contracts.
4. *Several credit card payments were not supported by documentation.* In the spirit of governmental transparency great care was taken to include all billing with the credit card statements. I am aware of zero exceptions. Had I been made aware of any concerns in this regard I could have produced the necessary documents since they were always kept on file.

5. *Each elected officer did not certify in writing compliance with nepotism requirements.* The violation consisted of one board member who refused to complete the necessary documents despite my sending the paperwork along with a self addressed stamped envelope to their home. All other officials, myself included, complied with this requirement.

As an elected official concerned with the responsible allocation of taxpayer resources I welcome the scrutiny placed upon us by your office. The passage of four months time between exam and final report, along with never having a meeting with your examiner to address concerns before the final product seems to indicate that procedural changes should be considered.

In any case, I appreciate the opportunity to respond and have my comments included with the official record.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Smith', written over a horizontal line.

Greg Smith
Center Township Trustee (2007-2014)