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B45271

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July 31, 2015

TO: THE OFFICIALS OF TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Turkey Creek Township (Township), for the period of January 1, 2012 to December 31, 2014, 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

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the December 2012 reconciliation contained errors. The outstanding check list at December 31, 2012, omitted checks totaling \$4,849.22. After adding these checks to the list, the adjusted bank balance still exceeded the record balance by \$691.73.*
- *The records presented for review indicated disbursements from the Rainy Day Fund in 2014 exceeded budgeted appropriations by \$4,755.*
- *The Township Board did not adopt a resolution establishing the salaries of the Trustee, Clerk, and Board members for 2012, 2013, and 2014.*

Current Period Comments

- The Township's Annual Financial Reports filed on Gateway for 2012, 2013, and 2014 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 Township Ledger</u> | <u>Difference</u> |
|--------------|--------------------------|-------------------|---------------------------|-----------------------------------|-------------------|
| 2012 | Fire Territory Equipment | Beginning Balance | \$ 1,091,356 | \$ 995,679 | \$ 95,677 |
| 2012 | Fire Territory Equipment | Ending Balance | 1,725,538 | 1,629,861 | 95,677 |
| 2013 | Fire Territory Equipment | Beginning Balance | 1,725,538 | 1,629,861 | 95,677 |
| 2013 | Township | Receipts | 267,567 | 244,963 | 22,604 |
| 2013 | Township | Ending Balance | 364,127 | 341,523 | 22,604 |
| 2013 | Fire Territory Equipment | Ending Balance | 2,053,718 | 1,958,041 | 95,677 |
| 2014 | Township Assistance | Beginning Balance | 229,327 | 229,339 | (12) |
| 2014 | Township Assistance | Receipts | 83,892 | 78,817 | 5,075 |
| 2014 | Fire Territory General | Receipts | 1,450,300 | 1,449,951 | 349 |
| 2014 | Township Assistance | Disbursements | 58,294 | 53,231 | 5,063 |
| 2014 | Fire Territory General | Disbursements | 1,347,444 | 1,347,095 | 349 |

- Minutes of the meetings of the Township Board presented for review were incomplete. Not all meetings were included, and some Board actions, including election of officers, were not recorded.
- The Township elected officers certified in writing in June 2012 that they had not violated Indiana Code 36-1-20.2 (Nepotism) or Indiana Code 36-1-21 (Contracting With a Unit). Those certifications referenced a policy adopted by Resolution 2012-2; however, a copy of Resolution 2012-2 was not available for review. The Township Nepotism Policy that was uploaded to Gateway was adopted November 13, 2014. That policy prominently references Indiana Code 35-44-1-3 which was repealed by P.L. 126-2012. The Township Contracting Policy uploaded to Gateway is actually a copy of the cemetery mowing contract for 2013.
- Each elected officer of the Township did not annually certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013 or 2014.
- Each elected officer did not annually certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2013 or 2014.
- The Township did not have a credit card policy approved by the Township Board.
- The Township did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2013 or 2014. The reports were filed on February 25, 2014, and March 2, 2015, which were past the due dates by 25 and 30 days, respectively.

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 9, 2015, with Barbara Griffith, Trustee.


Paul D. Joyce, CPA
State Examiner