



STATE OF INDIANA

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B46052

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April 22, 2016

TO: THE OFFICIALS OF THE REPUBLICAN, JEFFERSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Republican (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 auditing standards generally accepted in the United States of America. 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 examination. In a comparison of the bank transactions to the record transactions it was noted that there was a cash long of \$505.26 as of December 31, 2013.*
- *As of December 31, 2013, the total of the cash balances of the individual funds did not agree with the cash balance of Total All Funds by \$296.56. It was also noted that the cash balance of the Total All Fund as of January 1, 2014, was different then the cash balance as of December 31, 2013. The difference was an adjustment of \$296.56 to get the Total All fund's to agree with the total of the individual funds. No documentation was presented for examination to support the adjustment to change the Cash Balance amount.*

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*
- *The records presented for examination indicated that the Firefighting fund disbursements were in excess of its budgeted appropriations by \$666 for 2010.*
- *Township Board approval of salaries of was not presented for examination for 2010, 2011, 2012, and 2013.*
- *The Township paid compensation of officials and employees in advance of the actual date the services were provided as followed:*
 - (1) *The Trustee received his monthly compensation on or before the day 10 of each month.*
 - (2) *The Township Board members received their annual salaries on November 27, 2011, and November 12, 2013.*
 - (3) *The Township Clerk received their annual salary throughout the year as follows:*
 - (a) *In 2010, the Township Clerk was paid 80 percent of their annual salary by May 12, 2010, with the remainder being paid in August and November.*
 - (b) *In 2011, the Township Clerk was paid 62 percent of their annual salary by May 3, 2011, with the remainder being paid in November.*
 - (c) *In 2012, the Township Clerk was paid 67 percent of their annual salary by April 18, 2012, with the remainder being paid in July, November, and December.*
 - (d) *In 2013, the Township Clerk was paid 87 percent of their annual salary by May 28, 2013, with the remainder being paid in the October.*
- *Payroll taxes withheld for 2011 were not properly remitted to the IRS. The taxes for the first, second, and third quarters for 2011 were remitted along with the fourth quarter taxes to the IRS on January 18, 2012.*
- *W-2's were not presented for the Trustee for his wages in 2010, 2011, and 2012; Township Clerk for wages in 2010; and the Township Board for wages in 2011.*
- *Payments made for fire protection in 2012 did not comply with the amount in the written contract.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *In 2012 and 2013, instances were noted of Township Assistance payments made without a written Application for Township Assistance on file.*
- *The Township did not have a Nepotism Policy for 2012 and 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 Policy for 2012 and 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 Township did not timely file a certified report of compensation of officers and employees, Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the State Board of Accounts for 2010, 2011, and 2012. These reports were filed on May 4, 2011, March 7, 2012, and March 21, 2013, which are 93 days, 35 days, and 49 days past the due date, 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 December 11, 2014, with Fred Stilwell, Trustee.

Any Official Response attached to this letter was not verified for accuracy.



Paul D. Joyce, CPA
State Examiner