



STATE OF INDIANA
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B46444

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June 13, 2016

TO: THE OFFICIALS OF SCIPIO TOWNSHIP, ALLEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Scipio Township (Township), for the period of January 1, 2012 to December 31, 2015, 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 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

- The Township did not present for review any minutes of the meetings of the Township Board.
- The total all funds columns of the Township ledger did not agree with the sum of the individual fund columns. At December 31, 2015, the total all funds balance exceeded the sum of the individual fund balances by \$3,414.
- The records presented for review indicated that expenditures from the Fire Fighting fund in 2012 exceeded the budgeted appropriations by \$2,040.
- Reconciliations of the fund balances to the bank account balances were not completed.

Current Period Comments

- The Township's Annual Financial Reports filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Township	Ending Balance	\$ 20,599	\$ 18,855	\$ 1,744
2013	Township	Beginning Balance	20,599	18,855	1,744
2013	Township	Receipts	-	7,941	(7,941)
2013	Township	Disbursements	6,368	6,222	146
2013	Township	Ending Balance	14,231	19,137	(4,906)
2014	Township	Beginning Balance	14,231	19,137	(4,906)
2014	Township	Ending Balance	15,368	20,274	(4,906)
2015	Township	Beginning Balance	15,368	20,274	(4,906)
2015	Levy Excess	Beginning Balance	237	1	236
2015	Township	Disbursements	5,743	5,959	(216)
2015	Township	Ending Balance	17,519	21,215	(3,696)
2015	Levy Excess	Ending Balance	237	1	236

- The Township Board did not fix the salaries and wages of Township employees for 2012, 2013, 2014, or 2015.
- The Township paid rent and/or mileage to the Trustee. The payments were combined with the Trustee's net pay. No documentation was provided for review to support the amount paid for rent and/or mileage. There were no minutes provided, and the Township's budgets did not provide sufficient detail to establish the amount of rent or mileage approved by the Township Board.
- The federal government reduced the social security withholding rate from 6.2 percent to 4.2 percent for 2012. The Township continued to withhold at the higher rate and remitted those withholdings to the Internal Revenue Service.
- The Township elected officers did not each certify in writing that each officer had not violated Indiana Code 36-1-20.2 (Nepotism) or Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, or 2015.
- The Trustee was not properly bonded for the years 2012, 2013, 2014, and 2015. The Trustee's Surety Bond for those years was \$20,000. Statute requires the bond amount to be a minimum of \$30,000.
- The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) for 2014 and 2015 were inaccurate. One Board member was omitted from the 2014 report and the Trustee's compensation was overstated. The compensation of the Trustee was overstated on the 2015 report and all other employees' compensation was reported in the amounts of their net pay instead of gross pay.

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 March 24, 2016, with Marty Dager, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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