



STATE OF INDIANA
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B47036

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October 14, 2016

TO: THE OFFICIALS OF JACKSON TOWNSHIP, BLACKFORD COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Jackson 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.ifonline.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 total of the individual fund (subsidiary) balances did not agree with the Total All Funds (control) balance for 2012, 2013, 2014, and 2015.*
- *The Annual Financial Report filed on Gateway for 2012, 2013, 2014, and 2015 contained a number of errors and did not properly reflect the financial activity of the Township:*

Years	Fund	Category	Amount Per Gateway	Amount Per Ledger	Difference
2012	Township	Receipts	\$ 12,676	\$ 10,675	\$ 2,001
2012	Township	Ending Balance	27,516	25,514	2,002
2013	Township	Beginning Balance	27,516	25,514	2,002
2013	Township	Receipts	8,523	10,524	(2,001)
2013	Township Assistance	Receipts	14,003	14,128	(125)
2013	Township	Disbursements	13,039	12,905	134
2013	Township Assistance	Disbursements	15,420	15,242	178

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2013	Township	Ending Balance	\$ 23,000	\$ 23,133	\$ (133)
2013	Township Assistance	Ending Balance	34,290	34,592	(302)
2014	Township Assistance	Beginning Balance	34,290	34,592	(302)
2015	Township	Receipts	26,308	28,645	(2,337)
2015	Township Assistance	Receipts	3,604	3,630	(26)
2015	Township	Disbursements	16,134	17,907	(1,773)
2015	Township Assistance	Disbursements	33,319	33,036	283

- The following funds had overdrawn cash balances at December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2013	Fire Fighting	\$ 10,666
2015	Township Assistance	2,062

- The records presented indicated the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	\$ 45,609
2013	Fire Fighting	36,378
2014	Fire Fighting	3,545
2015	Township Assistance	4,919

- Township Board approval of salaries was not presented for the years 2012, 2014, and 2015.
- The Township did not have the required meetings to review and adopt the Annual Report in accordance with Indiana Code 36-6-6-9 for 2014 and 2015. It could not be determined if the 2013 Annual Report was reviewed and adopted since the 2014 Board minutes were not presented.

Current Period Comments

- Township employees were paid prior to the performance of services in several instances in 2013, 2014, and 2015.
- The Township Clerk was paid in 2012 without the Township withholding federal, state, and local taxes. Form W-2 was not issued for this employee.
- Invoices for 2012 were not presented.
- Tax distributions in the amount of \$87,735 were erroneously posted to the Fire Fighting fund rather than the Cumulative Fire Debt fund in 2013.
- Payments made for mowing were not supported by a written contract for 2012, 2013, and 2015.

- *Many Township Assistance payments were made without an Application for Township Assistance on file. Disbursements for one recipient were made in 2012, 2013, 2014, 2015, and 2016. However, the most recent Application for Township Assistance was dated May 15, 2008.*
- *Township Assistance payments were also made for cable television which does not meet the definition of "basic necessities."*
- *A review of April 2013 Township Assistance payments indicated six disbursements made without supporting documentation.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Annual Financial Report for 2015 was not filed electronically until March 31, 2016, which was 31 days past the due date.*
- *Board minutes for 2014 were not presented.*
- *The Township did not have a Nepotism Policy for 2012, 2013, 2014, and 2015.*
- *The Trustee was not properly bonded for 2013, 2014, and 2015.*
- *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, 2013, 2014, or 2015.*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, or 2015.*
- *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, 2013, 2014, or 2015.*

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 August 30, 2016, with Rex Chaney, Trustee, and Judy Trees, Township Clerk. Any Official Response attached to this letter was not verified for accuracy.

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