



**STATE OF INDIANA**  
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B47132

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November 7, 2016

TO: THE OFFICIALS OF FAYETTE TOWNSHIP, VIGO COUNTY, INDIANA

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

**Current Period Comments**

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance. As of December 31, 2015, the bank account reconciliation identified a cash long in the amount of \$4,212.90.*
- *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 for 2012, 2013, 2014, and 2015. The back side or endorsement side of the checks was not returned.*
- *The Annual Financial Report (AFR) filed for 2012, 2013, 2014, and 2015 did not match the Township's records as shown below:*

Years	Fund	Category	Amount Per AFR	Amount Per Township Ledger	Difference
2012	Township	Receipts	\$ 62,572.84	\$ 62,461.34	\$ (111.50)
2012	Township	Disb	57,047.42	61,913.28	4,865.86
2012	Township Assistance	Disb	10,520.52	9,777.71	(742.81)
2013	Township	Disb	60,535.50	58,424.65	(2,110.85)
2013	Township Assistance	Disb	6,316.65	6,316.05	(0.60)
2013	Fire Fighting	End Bal	4,581.58	4,581.59	0.01
2013	Payroll Deductions	Receipts	10,290.15	-	(10,290.15)
2013	Payroll Deductions	Disb	6,492.15	-	(6,492.15)
2013	Payroll Deductions	End Bal	3,798.00	-	(3,798.00)
2014	Township	Receipts	56,375.13	54,267.52	(2,107.61)
2014	Township	Disb	63,204.52	61,096.89	(2,107.63)
2014	Payroll Deductions	Beg Bal	3,798.00	-	(3,798.00)
2014	Payroll Deductions	Disb	3,798.00	-	(3,798.00)
2015	Township	Receipts	77,842.27	73,569.30	(4,272.97)
2015	Township	Disb	68,360.30	61,882.60	(6,477.70)
2015	Township	End Bal	26,479.34	27,407.96	928.62
2015	Township Assistance	Receipts	13,552.95	13,552.98	0.03
2015	Payroll Deductions	Receipts	915.01	-	(915.01)
2015	Payroll Deductions	End Bal	915.01	-	(915.01)

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

Years	Fund	Excess Amount Disbursed
2012	Township	\$ 2,873.28
2012	Fire Fighting	27,040.00
2013	Township Assistance	1,706.05
2014	Cumulative Fire	157.48

- Receipts were deposited later than the first and fifteenth of the month. Receipts were deposited up to twelve days in 2012 and three days in 2013 after the fifteenth of the month.
- 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, and 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, and 2015.
- The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2015. The report was filed on February 2, 2016, which is two days past the due date.
- Payments made for fire protection in 2012, 2013, 2014, and 2015 and were not supported by a written contract.
- Payments made for mowing in 2012 did not comply with the amount in the written contract. Mowing payments were \$280 more than the written contract.
- The Township Board did not fix the salaries of all officials and employees for 2012.
- Payments were observed in 2014 which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. An application for township assistance was found without supporting documentation for the payment.

- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2012, 2013, 2014, and 2015.*
- *The Trustee was not properly bonded for 2013 and 2014. The bond was paid for; however, it was not recorded in the County Recorder's office.*

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 September 20, 2016, with Paul Alsap, Trustee. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner