



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B47224

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November 21, 2016

TO: THE OFFICIALS OF JEFFERSON TOWNSHIP, WELLS COUNTY, INDIANA

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

- *The Annual Financial Report (AFR) filed on Gateway for 2012 did not match the Township's records. Records to support the AFR filed on Gateway for 2015 were not presented for review.*

Year	Fund	Category	Amount per AFR	Amount per Ledger	Difference
2012	Payroll Deduction	Receipts	\$ 6,895	\$ 2,848	\$ 4,047
2012	Payroll Deduction	Disbursements	6,895	2,848	4,047

- *Depository reconcilements of the fund balances to the bank account balances were not presented for review for the period June 2015 through December 2015. Reconcilements prepared for the period January 2015 through May 2015 were not reviewed since there were no records presented for review.*
- *Payroll deductions were not properly posted in the years 2012, 2013, and 2014. Payments made to the Internal Revenue Service (IRS) were erroneously posted to the Township fund rather than the Payroll Deductions fund.*

- *The Township did not have the required meeting to review and adopt the AFR in accordance with Indiana Code 36-6-6-9 for 2014 and 2015.*
- *Township Board approval of salaries was not presented for review for 2012.*
- *A review of payroll check dates indicated six out of eight salary payments were paid as much as 31 days in advance of the actual date the services were provided in 2012, 2013, and 2014.*
- *It could not be determined if wages reported on the W-2 agreed with the actual amounts paid to employees since Employee's Earnings Records (General Form 99B) were not maintained for 2015.*
- *Payroll taxes were not timely remitted to the IRS and the Indiana Department of Revenue in 2015.*
- *A review of April and December 2014 Township Assistance disbursements indicated that 13 disbursements had no supporting documentation, 9 disbursements had no supporting Application for Township Assistance for the recipient and 4 disbursements provided assistance for recipients who had exceeded the income guidelines. A review of May and August 2015 Township Assistance disbursements indicated that 11 disbursements had no supporting documentation, 1 disbursement had no supporting Application for Township Assistance for the recipient and 10 disbursements provided assistance for recipients who had exceeded the income guidelines.*
- *The Township did not have a Nepotism Policy for 2012, 2013, 2014, and 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 September 28, 2016, with Barry Gordon, Trustee; C. Daniel Rupright, President of the Township Board; and Richard L. McCoy, former Trustee. Any Official Response attached to this letter was not verified for accuracy.

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

My response to the audit.

- *The 2014 annual report had to be done by the new trustee as the former trustee had no authority to finish the report as of Jan 1st. it was ready to be submitted into Gateway and new trustee was responsible to hold the meeting.*
- *Township Board approval of salaries was not presented for examination for 2012. This report was left in the files when the new trustee took over.*
- *A review of payroll check dates indicated six out of eight salary payments were paid as much as 31 days in advance of the actual date the services were provided in 2012, 2013 and 2014. These were always paid in June and Dec of each year. So they were in accordance and in balance with the budget for that year. This was talked about at our budget meeting in Bluffton many years prior and was said to continue as always done by previous trustee. We were only paid 2 times a year.*
- *A review of April and December 2014 township assistance disbursements indicated that thirteen disbursements had no supporting documentation, nine disbursements had no supporting Application for Township Assistance for the recipient and four disbursements provided assistance for recipients who had exceeded the income guidelines. Each package was left in the recipients' folders when I left office. Wells County had a schedule they used to determine the income guideline.*
- *The township did not have a Nepotism Policy for 2012, 2013, 2014. There were forms in the files when I left office.*

A handwritten signature in black ink, appearing to be "M. Moore", written in a cursive style.