



STATE OF INDIANA
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B47699

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February 14, 2017

TO: THE OFFICIALS OF WARREN TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Warren Township (Township), for the period of January 1, 2011 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.

Current Period Comments

- The financial institution did not return the actual cancelled checks with the 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 Annual Financial Report (AFR) filed on Gateway for 2013, 2014, and 2015 did not match the Township's records.*

| <u>Years</u> | <u>Fund</u> | <u>Category</u> | <u>Amount per AFR</u> | <u>Amount per Township Ledger</u> | <u>Difference</u> |
|--------------|-----------------|-----------------|---------------------------|---------------------------------------|-------------------|
| 2013 | Fire Fighting | Receipt | \$ 871,364.00 | \$ 869,128.56 | \$ (2,235.44) |
| 2013 | Fire Fighting | Disbursement | 657,264.00 | 655,028.41 | (2,235.59) |
| 2014 | Cumulative Fire | Receipt | 88,521.00 | 88,484.30 | (36.70) |
| 2014 | Cumulative Fire | Ending Balance | 95,808.00 | 95,771.64 | (36.36) |
| 2014 | Levy Excess | Receipt | - | 36.77 | 36.77 |
| 2014 | Levy Excess | Ending Balance | - | 36.77 | 36.77 |

| <u>Years</u> | <u>Fund</u> | <u>Category</u> | <u>Amount per AFR</u> | <u>Amount per Township Ledger</u> | <u>Difference</u> |
|--------------|-----------------|-------------------|---------------------------|---------------------------------------|-------------------|
| 2015 | Cumulative Fire | Beginning Balance | \$ 95,808.00 | \$ 95,771.64 | \$ (36.36) |
| 2015 | Cumulative Fire | Ending Balance | 181,883.00 | 181,846.44 | (36.56) |
| 2015 | Levy Excess | Beginning Balance | - | 36.77 | 36.77 |
| 2015 | Levy Excess | Ending Balance | - | 36.77 | 36.77 |


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

| <u>Years</u> | <u>Fund</u> | <u>Excess Amount Disbursed</u> |
|--------------|---------------|------------------------------------|
| 2011 | Township | \$ (38,143.48) |
| 2013 | Fire Fighting | (5,028.41) |

- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011.
- Wage and Tax Statements, Federal Forms W-2s for 2011 could not be located for review, so we could not verify that all employees received a W-2, or if W-2s were issued, that the amounts reported agreed to the wages paid.
- Payments made for mowing services and park maintenance services were not supported by written contracts.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for 2015. There were two firemen whose compensation did not agree with the Form 100-R. The firemen's compensation reported on the Form 100-R was \$2,405.06 and \$6,942.34, but the wages paid were \$2,768.50 and \$6,468.00, respectively.
- Several payments were observed which did not contain adequate supporting documentation such as receipts, invoices, and other public records. Receipts not retained were for purchases made with the Township's debit card.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2011, 2013, 2014, or 2015.
- The Township did not have a credit card policy approved by the Township Board.
- 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.

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 7, 2016, with Steven Downey, Trustee.
Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner