

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

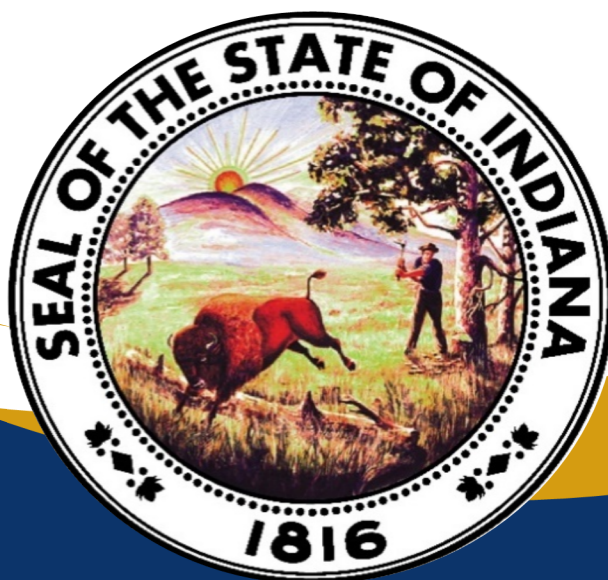
COMPLIANCE ENGAGEMENT REPORT

OF

CENTER TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**  
01/08/2025



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comments .....	5-9
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	12-13
Summary of Charges .....	14
Affidavit .....	15

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Garry L. Jackson	01-01-20 to 12-31-24
Chair of the Township Board	Debbie A. Jackson	01-01-20 to 12-31-21
	Warren Cullison	01-01-22 to 12-31-23
	Gage Pope	01-01-24 to 12-31-24



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF CENTER TOWNSHIP, GREENE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Center Township (Township), for the period of January 1, 2020 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Garry L. Jackson, Trustee, and Debbie A. Jackson, Township Board member, on December 9, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 31, 2024

CENTER TOWNSHIP, GREENE COUNTY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

The following areas did not have proper internal controls in place to ensure compliance with laws, regulations, and Guidelines as detailed further in the comments below:

- Appropriations
- Capital Assets
- Contracting with a Unit Certification
- Prescribed Forms
- Nepotism Certification
- Compensation and Benefits
- Supporting Documentation
- Official Bond

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

**APPROPRIATIONS**

The same comment also appeared in prior Reports B48286 and B55996.

*Condition and Context*

The financial records presented indicated the following expenditures in excess of budgeted appropriations:

CENTER TOWNSHIP, GREENE COUNTY  
COMMENTS  
(Continued)

Fund	Years	Excess Amount Expended
Township Fund	2020	\$ 16,691
Township Fund	2021	3,453
Township Fund	2022	2,541
Township Fund	2023	4,643
Fire Equipment Debt	2021	204
Special Fire Protection Territory General	2021	24,150
Special Fire Protection Territory General	2022	34,369

*Criteria*

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**CAPITAL ASSETS**

*Condition and Context*

The Township did not complete a physical inventory during the engagement period. The Township was unable to provide a completed capital asset listing to support the amount reported in the Indiana Gateway for Government Units financial reporting system of \$1,186,073.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**CONTRACTING WITH A UNIT CERTIFICATION**

The same comment also appeared in prior Reports B48286 and B55996.

*Condition and Context*

The elected officials could not provide evidence that they had filed an Annual Certificate of Compliance with the contracting law with the Township Executive for the years 2020, 2021, and 2023.

*Criteria*

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

CENTER TOWNSHIP, GREENE COUNTY  
COMMENTS  
(Continued)

**PRESCRIBED FORMS**

*Condition and Context*

Of the 25 Township Assistance applications tested, we noted that none of the applications had Form TA-1A, Notice of Township Assistance Action, included.

*Criteria*

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**NEPOTISM CERTIFICATION**

The same comment also appeared in prior Reports B48286 and B55996.

*Condition and Context*

The elected officials could not provide evidence that they had filed an Annual Certification of Compliance with the nepotism law with the Township Executive for the years 2020, 2021, and 2023.

*Criteria*

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**COMPENSATION AND BENEFITS**

*Condition and Context*

The salary resolutions adopted by the Township Board on September 28, 2021, and September 16, 2022, for 2022 and 2023, respectively, set the salary of the Trustee at \$12,000 per year. However, the Trustee received \$13,000 in salary payments during both 2022 and 2023. This resulted in an overpayment of \$2,000.

In addition, the amount of office rent that was to be paid to the Trustee for 2021 was approved in the Township budget to be \$3,600. The Trustee received \$4,200 for office rent during 2021. This resulted in an overpayment of \$600.

CENTER TOWNSHIP, GREENE COUNTY  
COMMENTS  
(Continued)

*Criteria*

Indiana Code 36-6-6-10(c) states:

"The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule. An elected township officer is not required to report hours worked and may not be compensated based on the number of hours worked."

Indiana Code 36-6-8-3(a) states:

"The annual appropriations to a township executive for the expenses of renting an office and telephone and telegraph expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The Indiana State Board of Accounts requests the Trustee, Garry L. Jackson, reimburse the Township for overpayment of salary and rent in the amount of \$2,600. (See Summary of Charges, page 14)

**SUPPORTING DOCUMENTATION**

*Condition and Context*

Investigator traveling expense was approved as part of the Township Assistance budget. The Trustee was paid the full amount that was approved per the budget; however, there was no evidence presented that any investigator travel actually occurred. The Trustee received the following amounts, that agreed to the approved budget amounts, for investigator travel:

- \$200 in July 2021
- \$400 in February 2022
- \$400 in January 2023

The Trustee received reimbursement for purchases and services rendered to the Township without evidence of receipts or detailed invoices to support the validity of the monies reimbursed as follows:

- \$3,968.10 was paid in June 2022 for "Trash and disposal from old office and new laptop."
- \$2,485.00 was paid in March 2023 for "Labor to move trustee's office."

The Trustee was asked to present the laptop for observation, but it was never presented.

CENTER TOWNSHIP, GREENE COUNTY  
COMMENTS  
(Continued)

*Criteria*

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The Indiana State Board of Accounts requests the Trustee, Garry L. Jackson, reimburse the Township for the amount of unsupported reimbursements in the amount of \$7,453.10. (See Summary of Charges, page 14)

**OFFICIAL BOND**

The same comment also appeared in prior Reports B42082, B48286, and B55996.

*Condition and Context*

The Trustee did not record an individual Surety Bond in the County Recorder's office for 2020 and 2023.

*Criteria*

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, employee, or contractor of a political subdivision . . . shall file the bond with the fiscal officer of the political subdivision and in the office of the county recorder in the county of office or employment of the officer, official, deputy, employee, or contractor. The county recorder and deputies and employees of the recorder shall file their bonds with the county auditor and in the office of the clerk of the circuit court."

**OFFICIAL BOND COVERAGE**

The Township obtained the following public official bond coverage:

Bond Coverage		
Type	Period	Amount
Public Official Bond	01-01-19 to 01-01-23	\$ 30,000
Public Official Bond	01-01-23 to 01-01-24	30,000



STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

CENTER TOWNSHIP, GREENE COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
TOWNSHIP FUND	\$ 168,166	\$ 125,413	\$ 60,011	\$ 233,568	\$ 99,890	\$ 159,173	\$ 174,285
TOWNSHIP ASSISTANCE	65,013	4,147	3,137	66,023	4,477	4,133	66,367
FIRE FIGHTING FUND	(14,673)	6,364	-	(8,309)	8,309	-	-
RAINY DAY FUND	21,956	-	-	21,956	3,030	-	24,986
SPECIAL FIRE PROTECTION TERRITORY GENERAL	(17,140)	213,080	229,809	(33,869)	279,553	251,295	(5,611)
SPECIAL FIRE PROTECTION TERRITORY EQUIPMENT REPLAC	-	40,479	23,450	17,029	50,983	43,242	24,770
PAYROLL DEDUCTIONS	316	3,775	4,159	(68)	3,775	3,337	370
FIRE EQUIPMENT DEBT	7,861	14,351	30,352	(8,140)	41,279	30,395	2,744
Totals	<u>\$ 231,499</u>	<u>\$ 407,609</u>	<u>\$ 350,918</u>	<u>\$ 288,190</u>	<u>\$ 491,296</u>	<u>\$ 491,575</u>	<u>\$ 287,911</u>

CENTER TOWNSHIP, GREENE COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
TOWNSHIP FUND	\$ 174,286	\$ 113,201	\$ 47,361	\$ 240,126	\$ 127,170	\$ 49,463	\$ 317,833
TOWNSHIP ASSISTANCE	66,367	207	2,984	63,590	-	4,605	58,985
RAINY DAY FUND	24,986	-	-	24,986	-	-	24,986
SPECIAL FIRE PROTECTION TERRITORY GENERAL	(5,611)	310,296	293,369	11,316	305,732	196,193	120,855
SPECIAL FIRE PROTECTION TERRITORY EQUIPMENT REPLAC	24,771	48,268	50,920	22,119	27,483	23,467	26,135
PAYROLL DEDUCTIONS	371	4,231	3,983	619	4,253	4,062	810
FIRE EQUIPMENT DEBT	2,743	-	-	2,743	-	-	2,743
Totals	<u>\$ 287,913</u>	<u>\$ 476,203</u>	<u>\$ 398,617</u>	<u>\$ 365,499</u>	<u>\$ 464,638</u>	<u>\$ 277,790</u>	<u>\$ 552,347</u>

CENTER TOWNSHIP, GREENE COUNTY  
SUMMARY OF CHARGES  
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Garry L. Jackson, Trustee:			
Compensation and Benefits, pages 7 and 8	\$ 2,600.00	\$ -	\$ 2,600.00
Supporting Documentation, pages 8 and 9	7,453.10	-	7,453.10
 Totals	 \$ 10,053.10	 \$ -	 \$ 10,053.10

This report was forwarded to the Office of the Indiana Attorney General.

AFFIDAVIT

STATE OF INDIANA )  
Posey COUNTY )

I, Marcella L. Davis, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Center Township, Greene County, Indiana, for the period from January 1, 2020 to December 31, 2023, is true and correct to the best of my knowledge and belief.

Marcella L. Davis  
Field Examiner

Subscribed and sworn to before me this 31<sup>st</sup> day of December, 2024.

Hunter L. Hyatt  
Notary Public

My Commission Expires: 08-13-2032

County of Residence: Posey

