



STATE OF INDIANA
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B45469

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November 4, 2015

TO: THE OFFICIALS OF HENSLEY TOWNSHIP, JOHNSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Hensley Township (Township), for the period of January 1, 2011 to December 31, 2014, 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 *generally accepted auditing standards*. 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 Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, 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.

Unresolved Comments From Prior Reports

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, 2013, or 2014.*
- *Payments to employees were made without payroll deductions for Medicare or Social Security taxes in 2011, 2012, 2013, and 2014. Additionally, Internal Revenue Service Form W-2 was not issued for any employee.*

Current Period Comments

- *The financial institution did not return the actual cancelled checks with the monthly bank statements for 2011, 2012, 2013, or 2014, 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 Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Adjusted Township Ledger</u>	<u>Difference</u>
2011	Township	Beginning Balance	\$ 13,267.46	\$ (15,623.12)	\$ 28,890.58
2011	Township	Receipts	6,090.25	5,817.36	272.89
2011	Township	Ending Balance	7,165.13	(21,998.34)	29,163.47
2011	Township Assistance	Beginning Balance	35,539.24	14,100.36	21,438.88
2011	Township Assistance	Receipts	6,990.81	6,626.95	363.86
2011	Township Assistance	Ending Balance	40,418.67	18,615.93	21,802.74
2011	Firefighting	Beginning Balance	20,625.55	1,024.86	19,600.69
2011	Firefighting	Receipts	263.80	-	263.80
2011	Firefighting	Ending Balance	20,889.35	1,024.86	19,864.49
2011	Rainy Day	Beginning Balance	2,438.06	2,395.67	42.39
2011	Rainy Day	Receipts	9.09	-	9.09
2011	Rainy Day	Ending Balance	2,447.15	2,395.67	51.48
2012	Township	Beginning Balance	7,165.13	(21,998.34)	29,163.47
2012	Township	Receipts	13,546.40	18,496.99	(4,950.59)
2012	Township	Ending Balance	5,206.28	(19,006.60)	24,212.88
2012	Township Assistance	Beginning Balance	40,418.67	18,615.93	21,802.74
2012	Township Assistance	Receipts	1,716.31	1,123.37	592.94
2012	Township Assistance	Ending Balance	36,979.37	14,583.69	22,395.68
2012	Firefighting	Beginning Balance	20,889.35	1,024.86	19,864.49
2012	Firefighting	Receipts	306.36	-	306.36
2012	Firefighting	Ending Balance	20,195.71	24.86	20,170.85
2012	Rainy Day	Beginning Balance	2,447.15	2,395.67	51.48
2012	Rainy Day	Receipts	1,789.52	1,750.00	39.52
2012	Rainy Day	Ending Balance	4,236.67	4,145.67	91.00
2013	Township	Beginning Balance	5,206.28	(19,006.60)	24,212.88
2013	Township	Receipts	16,625.45	16,593.69	31.76
2013	Township	Ending Balance	9,023.53	(15,221.11)	24,244.64
2013	Township Assistance	Beginning Balance	36,979.37	14,583.69	22,395.68
2013	Township Assistance	Receipts	1,126.11	725.88	400.23
2013	Township Assistance	Ending Balance	32,659.84	9,863.93	22,795.91
2013	Firefighting	Beginning Balance	20,195.71	24.86	20,170.85
2013	Firefighting	Receipts	211.91	-	211.91
2013	Firefighting	Ending Balance	19,407.62	(975.14)	20,382.76
2013	Rainy Day	Beginning Balance	4,236.67	4,145.67	91.00
2013	Rainy Day	Receipts	2,809.81	2,785.00	24.81
2013	Rainy Day	Ending Balance	5,921.48	5,805.67	115.81

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

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2011	Township	\$ 21,998.34
2012	Township	19,006.60
2013	Township	15,221.11
2013	Fire fighting	975.14
2014	Township	5,925.76
2014	Fire fighting	4,947.54

- 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	\$ 1,000.00
2013	Fire fighting	1,000.00
2014	Fire fighting	3,972.40

- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2011, 2012, 2013, or 2014.*
- *Payments made for mowing were not supported by a written contract during 2011, 2012, and 2014.*
- *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 2011 or 2012. For 2011, the report was filed on March 28, 2012, which was 57 days past the due date. For 2012, the report was filed on February 15, 2013, which was 15 days past the due date.*
- *The Township did not have a Nepotism Policy for 2012, 2013, or 2014.*
- *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, or 2014.*
- *The Township did not have a Contracting Policy for 2012, 2013, or 2014.*
- *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, or 2014.*

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, 2015, with Beth Baird, Trustee; Dennis Brownfield, Chairman of the Township Board; William Meredith, Township Board member; and Mary Wilkerson, Township Board member.

In addition to this letter, Special Investigation Report B45468 has been issued for the Township. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.


Paul D. Joyce, CPA
State Examiner