

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

FALL CREEK TOWNSHIP

HENRY COUNTY, INDIANA

January 1, 2013 to December 31, 2014



FILED
02/18/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Don Osborne	01-01-11 to 12-31-18
Chairman of the Township Board	Richard Thornburg (Vacant) Steve Holmes	01-01-13 to 12-30-14 12-31-14 to 12-31-14 01-01-15 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FALL CREEK TOWNSHIP, HENRY COUNTY, INDIANA

This report is supplemental to our examination report of Fall Creek Township (Township), for the period from January 1, 2013 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statement Examination Report of the Township, which provides our opinion on the Township's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 24, 2015

FALL CREEK TOWNSHIP, HENRY COUNTY
EXAMINATION RESULTS AND COMMENTS

SALARY RESOLUTION

The Township did not document the discussion of the adoption of a salary resolution in the minutes of the Township Board meetings for 2013 and 2014. In addition, a resolution establishing salaries of Township officers and employees for 2013 and 2014 was not presented for examination.

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances; of all officers and employees of the township."

Township Form No. 17 (revised 2008) has been prescribed to fulfill the requirements of the statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 12)

SUPPORTING DOCUMENTATION

A review of disbursements for 2013 and 2014, identified 14 disbursements for which supporting documentation was not retained and presented for examination.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

1099s NOT ISSUED

Payments in the amount of \$8,600 during both 2013 and 2014 were made to an individual for cemetery care for which the Township did not issue 1099s.

Rent payments were made to the Trustee in the amount of \$5,991.22 in 2013 and \$5,427.26 in 2014 for which the Township did not issue 1099s.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

W-2s AND PAYROLL WITHHOLDINGS - BOARD MEMBERS

The Township did not issue W-2s to Board members for 2013 and 2014. However, during 2013 the Township did withhold payroll taxes for Social Security and Medicare from Board members' pay. In 2014, the Township did not withhold payroll taxes for Social Security and Medicare from Board members' pay.

FALL CREEK TOWNSHIP, HENRY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TAX DISTRIBUTIONS RECEIPTED TO INCORRECT FUNDS

The following schedule details tax distributions which were receipted to incorrect funds according to the County Auditor's Certificates of Tax Distributions (Form 22s) provided by the County Auditor and the budgeted revenues approved by the Department of Local Government Finance:

Distribution Date	Type	Fund Receiving Distribution In Error				Correct Fund for Receipt			
		Township	Township Assistance	Fire Fighting	Cumulative Fire	Township	Township Assistance	Fire Fighting	Cumulative Fire
06-01-13	CVET	\$ 53.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53.49	\$ -
06-01-13	CVET	20.51	-	-	-	-	-	-	20.51
01-09-14	COIT	1,966.60	-	-	-	-	-	491.65	1,474.95
02-14-14	COIT	1,966.60	-	-	-	-	-	491.65	1,474.95
03-14-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
04-08-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
05-08-14	COIT	1,966.60	-	-	-	-	-	491.65	1,474.95
06-06-14	General Property	17,305.41	-	-	-	-	-	17,305.41	-
06-11-14	CVET	2.31	-	-	-	-	2.31	-	-
06-11-14	CVET	50.92	-	-	-	-	-	50.92	-
06-11-14	CVET	19.08	-	-	-	-	-	-	19.08
06-11-14	COIT	1,966.60	-	-	-	-	-	491.65	1,474.95
07-15-14	COIT	-	-	1,966.60	-	-	-	491.65	1,474.95
08-07-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
09-11-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
10-14-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
11-04-14	COIT	1,966.60	-	-	-	-	-	491.65	1,474.95
12-01-14	COIT	-	-	-	1,966.60	-	-	491.65	1,474.95
12-01-14	General Property	-	-	-	17,108.84	17,108.84	-	-	-
12-01-14	General Property	252.54	-	-	-	-	252.54	-	-
12-01-14	General Property	-	13,071.16	-	-	-	-	-	13,071.16
12-01-14	General Property	-	-	4,896.22	-	-	-	-	4,896.22
12-04-14	CVET	2.31	-	-	-	-	2.31	-	-
12-04-14	CVET	50.20	-	-	-	-	-	50.20	-
12-04-14	CVET	18.80	-	-	-	-	-	-	18.80
12-04-14	FIT	0.33	-	-	-	-	0.33	-	-
	Total Error Receipts To Funds	27,608.90	13,071.16	6,862.82	28,908.44	<u>\$17,108.84</u>	<u>\$ 257.49</u>	<u>\$ 23,359.82</u>	<u>\$35,725.17</u>
	Total Correct Receipts To Funds	<u>17,108.84</u>	<u>257.49</u>	<u>23,359.82</u>	<u>35,725.17</u>				
	Net Error by Fund	<u>\$10,500.06</u>	<u>\$12,813.67</u>	<u>\$ (16,497.00)</u>	<u>\$(6,816.73)</u>				

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES

The financial statement presented in the Financial Statement Examination Report included overdrawn fund balances in the Payroll Deduction Fund at December 31, 2013 and 2014, by \$6,155 and \$5,668, respectively.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FALL CREEK TOWNSHIP, HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2015, with Don Osborne, Trustee, and Bertha Osborne, Clerk.