



**STATE OF INDIANA**  
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B46518

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June 27, 2016

TO: THE OFFICIALS OF JACKSON TOWNSHIP, CLAY COUNTY, INDIANA

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

***Unresolved Comments from Prior Report***

- *The Township did not comply with directives of the Internal Revenue Service by failing to withhold Social Security or Medicare from Township Board salaries. In addition, state and local taxes were not withheld from Township Board salaries.*
- *The current bond for the Trustee has not been recorded at the County Recorder's Office.*

***Current Period Comments***

- *The financial institution did not return the actual cancelled checks with the monthly 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 were not returned.*

- The following are differences between the Annual Financial Reports filed on Gateway and the financial ledger:

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Township	Beg Bal	\$ 67,958.91	\$ 2,958.91	\$ 65,000.00
2012	Township	End Bal	57,473.65	(7,526.35)	65,000.00
2013	Township	Beg Bal	57,473.65	(7,526.35)	65,000.00
2013	Township	End Bal	52,295.63	(2,704.37)	55,000.00
2014	Township	Beg Bal	52,295.63	(2,704.37)	55,000.00
2014	Township	End Bal	41,323.50	11,323.50	30,000.00
2015	Township	Beg Bal	41,323.50	11,323.50	30,000.00
2015	Township	End Bal	32,138.71	2,138.71	30,000.00

- W-2s were not issued for Township Board members.
- 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.
- The Township Board did not fix the salaries of Township officers and employees for 2012, 2013, 2014, or 2015.
- A payment was observed for Township Assistance which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Payment was made that did not contain an itemized invoice to support the payment.
- The Township paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$30.49 because the Township did not remit payments on a timely basis.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.

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 April 19, 2016, with Mendy S. Litz, Trustee.

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