STATE OF INDIANA

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B46718

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July 29, 2016

TO: THE OFFICIALS OF CHESTER TOWNSHIP, WELLS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Chester 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 statement, 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 Comment from Prior Report

- *Township Board approval of salaries was not presented for review for 2012, 2014, and 2015.*

Current Period Comments

- *Receipts were deposited later than the first and the fifteenth of the month and were as much as 27 days late.*

- *Township Board members were paid without the Township withholding federal, state, and local taxes.*

- *A review of payroll check dates indicated 9 out of 16 salary payments were paid as much as 29 days in advance of the actual date the services were provided.*

- *Each elected officer did not comply in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2015.*

- *Each elected officer did not comply in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2015.*

Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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 May 31, 2016, with Steve Studebaker, Trustee.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner