



STATE OF INDIANA
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B47108

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 31, 2016

TO: THE OFFICIALS OF SMITHFIELD TOWNSHIP, DEKALB COUNTY, INDIANA

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

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

- The records presented indicated the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Township	\$ 2,014
2013	Township	2,571
2014	Township	1,746
2014	Rainy Day	5,940
2015	Rainy Day	1,000

Current Period Comments

- The Annual Financial Report (AFR) originally filed for 2015 contained errors and did not properly reflect the financial activity of the Township. The Township adjusted their reported amounts and then resubmitted on September 13, 2016.

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per AFR</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2015	Township	Disbursements	\$ 21,063.39	\$ 19,774.63	\$ 1,288.76
2015		Ending Balance	81,542.56	82,831.32	(1,288.76)
2015	Twp Assistance	Disbursements	16,393.29	16,493.29	(100.00)
2015		Ending Balance	37,592.69	37,492.69	100.00

- Depository reconciliations of the fund balances to the bank account balances were not presented for 2012 through 2015. As of December 31, 2014 and 2015, we identified cash long in the amount of \$383.99.
- Payments made to the DeKalb County Council on Aging and the DeKalb County Humane Shelter in 2012 through 2014 and the Waterloo - Grant Township Public Library in 2015 were not supported by written contracts.
- The Trustee did not obtain an individual Surety Bond for the year 2015.
- The Township did not have a Nepotism Policy or a Contracting Policy for 2012, 2013, 2014, and 2015.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) and Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.

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 13, 2016, with Jamie Days, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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