



STATE OF INDIANA
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January 20, 2017

TO: THE OFFICIALS OF CENTER TOWNSHIP, STARKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Center 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 Township's 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

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2012 through 2015.*
- *The ledgers contained a number of posting errors that included:*
 1. *Receipts and Disbursements posted to the ledger of all fund activity (control ledger) could not be verified as posted to the ledgers by individual fund (detail ledger).*
 2. *The total of the individual fund cash and investment balances per the detail ledger did not agree to the cash and investment balance per the control ledger.*
 3. *Mathematical errors.*
 4. *Transposed numbers.*
 5. *Entering the wrong balance from one month to the next.*

6. Entering check numbers and payees but did not include the amounts.

- The Annual Financial Report (AFR) for 2012 through 2015 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Ledger</u>	<u>Difference</u>
2012	Township	Beginning Balance	\$ 689.08	\$ 3,949.20	\$ (3,260.12)
	Township Assistance	Beginning Balance	898.83	(15.35)	914.18
	Township	Receipts	30,675.25	30,135.74	539.51
	Township Assistance	Receipts	7,157.12	7,292.12	(135.00)
	Fire Debt	Receipts	31,495.74	35,083.24	(3,587.50)
	Township	Disbursements	24,923.96	27,781.07	(2,857.11)
	Township Assistance	Disbursements	4,943.58	4,725.85	217.73
	Township	Ending Balance	6,440.37	6,303.87	136.50
	Township Assistance	Ending Balance	3,112.37	2,550.92	561.45
	Fire Debt	Ending Balance	6,699.03	10,286.53	(3,587.50)
2013	Township	Beginning Balance	6,440.37	5,441.71	998.66
	Township Assistance	Beginning Balance	3,112.37	2,549.83	562.54
	Fire Fighting	Beginning Balance	23,002.36	22,817.10	185.26
	Township	Receipts	22,003.90	22,513.00	(509.10)
	Township Assistance	Receipts	6,470.31	3,410.31	3,060.00
	Fire Fighting	Receipts	48,552.81	48,552.91	(0.10)
	Township	Disbursements	24,701.08	19,553.65	5,147.43
	Township Assistance	Disbursements	6,576.66	6,372.66	204.00
	Township	Ending Balance	3,743.19	8,401.06	(4,657.87)
	Township Assistance	Ending Balance	3,006.02	(412.52)	3,418.54
	Fire Fighting	Ending Balance	29,464.17	29,279.01	185.16
2014	Township	Beginning Balance	3,743.19	5,146.10	(1,402.91)
	Township Assistance	Beginning Balance	3,006.02	2,629.48	376.54
	Fire Fighting	Beginning Balance	29,464.17	29,278.37	185.80
	Township	Receipts	26,615.66	26,265.36	350.30
	Township Assistance	Receipts	5,027.00	5,026.90	0.10
	Fire Debt	Receipts	30,583.89	38,753.69	(8,169.80)
	Township	Disbursements	24,953.20	24,195.29	757.91
	Township	Ending Balance	5,405.65	7,216.17	(1,810.52)
	Township Assistance	Ending Balance	3,665.51	3,288.87	376.64
	Fire Fighting	Ending Balance	48,176.42	47,990.62	185.80
	Fire Debt	Ending Balance	30,884.03	39,053.54	(8,169.51)
2015	Township	Beginning Balance	5,405.65	8,869.98	(3,464.33)
	Township Assistance	Beginning Balance	3,665.51	3,288.98	376.53
	Fire Fighting	Beginning Balance	48,176.12	48,712.25	(536.13)
	Cumulative Fire	Beginning Balance	21,216.41	21,214.61	1.80
	Fire Debt	Beginning Balance	30,884.03	30,583.89	300.14
	Township	Receipts	26,840.60	24,390.60	2,450.00
	Township	Disbursements	30,240.78	29,301.14	939.64
	Township Assistance	Disbursements	4,966.46	5,231.36	(264.90)
	Township	Ending Balance	2,005.47	3,959.44	(1,953.97)
	Township Assistance	Ending Balance	3,294.99	2,653.56	641.43
	Fire Fighting	Ending Balance	52,884.47	53,420.30	(535.83)
	Cumulative Fire	Ending Balance	21,216.41	21,214.61	1.80
	Fire Debt	Ending Balance	21,912.81	21,616.67	296.14

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Amount</u>
2012	Township	\$ 1,558.07
2014	Township	2,804.29


- *Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. This included receipts for Township assistance for food and office supplies.*

Current Period Comments

- *The following documents were not presented:*
 1. *Federal Form 1099's for all years.*
 2. *Mowing contracts for 2012, 2014, and 2015.*
 3. *In 2015, two out of five Township Assistance applications could not be located.*
 4. *Proof of publication for the AFR for 2013 and 2015.*
- *The Township did not have the required meeting to review and adopt the AFR in accordance with Indiana Code 36-6-6-9 for 2012.*
- *The AFR for 2012, 2013, and 2015 was not filed electronically until April 26, 2013, June 3, 2014, and April 7, 2016, which were 56, 93, and 37 days after the due date of March 1.*
- *Federal Form W-2s were not issued to the Township Board members.*
- *Payroll taxes were not withheld from the Township Board member's compensation.*
- *The Trustee had not certified in writing that she did not violate Indiana Code 36-1-21 (Contracting with a unit) or Indiana Code 36-1-20.2 (Nepotism) by December 31 for 2014.*
- *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 December 19, 2016, with Julie Manns, Trustee. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner