

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TAYLOR TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
05/01/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Charles F. Crouch	01-01-12 to 12-31-18
Chairman of the Township Board	John Fowler	01-01-12 to 12-31-12
	George Dallaire	01-01-13 to 12-31-13
	Estelle Patton	01-01-14 to 12-31-14
	Ned Malone	01-01-15 to 12-31-15
	Stephen Rollins	01-01-16 to 12-31-16
	Ned Malone	01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TAYLOR TOWNSHIP, GREENE COUNTY, INDIANA

This report is supplemental to our examination report of Taylor Township (Township), for the period from January 1, 2012 to December 31, 2015. 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 Statements Examination Report of the Township, which provides our opinion on the Township's financial statements. 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.

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

March 16, 2017

TAYLOR TOWNSHIP, GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31:

Years	Fund	Amount Overdrawn
2012	Fire Fighting	\$ 2,710
2013	Fire Fighting	3,906
2014	Fire Fighting	12,894
2015	Fire Fighting	18,913

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 unit. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 1)

NEPOTISM CERTIFICATION

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

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

TOWNSHIP ASSISTANCE

The Township did not use the prescribed form TA-1A, Notice of Township Action, nor have they requested approval for an alternative form in lieu of the prescribed form.

The Applications for Township Assistance (Form TA-1) presented did not contain the Trustee's signature nor, was there any evidence of an investigation.

One payment for Township Assistance was made without a Township Assistance application.

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

TAYLOR TOWNSHIP, GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 12-20-6-9 states in part:

"If an application for township assistance is made to the township trustee as administrator of township assistance, the township trustee, as administrator of township assistance, shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . . "

Indiana Code 12-20-6-1(a) states: "A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

APPROPRIATIONS

The records presented for review indicated the following expenditures in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	\$ 9,926.25
2013	Fire Fighting	8,055.17
2014	Fire Fighting	10,641.68
2015	Township	68,212.00
2015	Fire Fighting	7,940.37

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

LATE FILING OF FORM 100-R

The Trustee did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2014. The report was filed on February 16, 2015, which was 16 days past the due date.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

OPTICAL IMAGES OF CHECKS

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 was not returned.

TAYLOR TOWNSHIP, GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-15-5.1-10(a) states in part: "Each . . . local government shall: (1) Make and preserve records containing adequate and proper documentation of . . . essential transactions of the . . . local government to protect the legal and financial rights of the government . . ."

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information se in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a). . . ."

OFFICIAL BOND

The Trustee did not record an individual Surety Bond in the County Recorder's office for 2012, 2013, and 2015.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required . . . to file an official bond . . . shall file the bond . . . in the office of the county recorder in the county of office or employment of the officer, official, deputy, employee or contractor. . . ."

FAILURE TO WITHHOLD PAYROLL TAXES

Township Board Members were paid without the Township withholding federal, state, and local taxes. The Township Assistance Investigator was paid without the Township withholding federal, state, and local taxes in 2015.

In addition, a lien in the amount of \$1,130.75 was placed on the Township in 2014 for outstanding tax warrants owed to the State of Indiana. Due to the lack of supporting documentation, we were unable to determine what outstanding taxes were being assessed.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TAYLOR TOWNSHIP, GREENE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2017, with Charles F. Crouch, Trustee.