

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

COMPLIANCE REPORT
OF
WORTH TOWNSHIP
BOONE COUNTY, INDIANA
January 1, 2012 to December 31, 2016



FILED
07/05/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Clinton Bohm James Baldwin	01-01-12 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	James Baldwin Josh Myers	01-01-12 to 12-31-14 01-01-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WORTH TOWNSHIP, BOONE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Worth Township (Township), Boone County, for the period January 1, 2012 to December 31, 2016, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

The Township Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

May 17, 2017

WORTH TOWNSHIP, BOONE COUNTY
RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT DIFFERENCES

The Annual Financial Report (AFR) filed on Gateway for 2012 and 2013 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per Township Ledger</u>	<u>Amount per AFR</u>	<u>Difference</u>
2012	Payroll W/H	Beg Bal	\$ (7,399.84)	\$ (4,997.25)	\$(2,402.59)
2012	Fire Fighting	Disb.	397,883.80	397,838.80	45.00
2012	Payroll W/H	End Bal	(7,399.84)	(4,997.25)	(2,402.59)
2012	Fire Fighting	End Bal	397,883.80	397,838.80	45.00
2013	Payroll W/H	Beg Bal	(7,399.84)	(4,997.25)	(2,402.59)
2013	Fire Fighting	Beg Bal	397,883.80	397,838.80	45.00
2013	Payroll W/H	End Bal	(7,399.84)	(4,997.25)	(2,402.59)
2013	Fire Fighting	End Bal	397,883.80	397,838.80	45.00

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 must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OVERDRAWN CASH BALANCES

The following funds had overdrawn fund balances at December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2012	Payroll Withholding	\$ 7,376.54
2013	Payroll Withholding	7,376.54
2014	Payroll Withholding	7,376.54
2015	Payroll Withholding	7,376.54
2016	Payroll Withholding	7,376.54

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 townships, Chapter 1)

DEPOSITORY RECONCILIATIONS

Detail of depository reconciliations of the fund balances to the bank account balances were not presented for each month. Records were maintained on computer software and a summary of the reconciliation was presented without detail to verify or reperform the procedures. Also, complete bank statements were not presented along with the bank image of cleared checks. From other procedures performed, it was determined a cash long of \$1,053.76 existed at December 31, 2016. There were 17 checks totaling \$8,183.90 that had been outstanding for over two years and needed to be added back to the records.

WORTH TOWNSHIP, BOONE COUNTY
RESULTS AND COMMENTS
(Continued)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

APPROPRIATIONS

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

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2016	Twp Assist.	\$ 15,357.54

DEPOSITS

Receipts were deposited later than the first and fifteenth of the month. There were 17 instances where receipts were deposit between 30 and 90 days after receipt. Also, receipts were not always supported by proper documentation.

Indiana Code 5-13-6-1(c) states in part: ". . . The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. . . ."

CONTRACTS

Payments made for fire protection were not supported by a written contract.

Payments made or received for contractual services must be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SUPPORTING DOCUMENTATION

All payments, other than Township Assistance, did not contain adequate supporting documentation, such as receipts, invoices, and other public records. No invoices or other supporting documentation was provided for vendor disbursements by the Township.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

WORTH TOWNSHIP, BOONE COUNTY
RESULTS AND COMMENTS
(Continued)

BOARD MINUTES

Minutes of meetings of the governing body were not presented for the years 2012 to 2015.

Indiana Code 36-6-6-8 states:

"The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive. The secretary of the legislative body shall, under the direction of the legislative body, record the minutes of the proceedings of each meeting in full and shall provide copies of the minutes to each member of the legislative body before the next meeting is convened. After the minutes are approved by the legislative body, the secretary of the legislative body shall place the minutes in the permanent record book. The chairman of the legislative body shall retain the record in his custody."

ANNUAL FINANCIAL REPORT FILED LATE

The Annual Financial Report for 2012, 2013, 2014, and 2015 was not filed electronically until July 2, 2013, April 2, 2014, March 16, 2015, and April 3, 2016, respectively, which was 122, 31, 15, and 32 days late, respectively.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner . . ."

LATE FILING OF CERTIFIED REPORT (FORM 100-R)

The Township 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 the years 2013, 2014, and 2015. The report was filed on February 2, 2014, February 10, 2015, and February 6, 2016, respectively, which is 2, 10, and 6 days, respectively, 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 business 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. . . ."

WORTH TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2017, with James Baldwin, Trustee.