

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

COMPLIANCE REPORT
OF
PINE TOWNSHIP
PORTER COUNTY, INDIANA
January 1, 2013 to December 31, 2016



FILED
09/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Andrew Himan, Jr.	01-01-11 to 12-31-18
Chairman of the Township Board	Margaret Richardson	01-01-13 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF PINE TOWNSHIP, PORTER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Pine Township (Township), Porter County, for the period January 1, 2013 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 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

June 29, 2017

PINE TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance for 2013 through 2016. As of December 31, 2016, we identified that the bank balance was in excess of the fund balances in the amount of \$8,318.55.

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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONDITION OF RECORDS

The ledger contained a number of posting errors that included:

1. Receipts and Disbursements posted to the ledger of all funds (control ledger) were not always posted to the individual funds (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. Transfers or payroll taxes were not recorded in the ledger.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ANNUAL FINANCIAL REPORT

The Annual Financial Report filed on Gateway for 2013, 2014, 2015, and 2016 did not match the records of the Township.

Years	Fund	Category	Amount per Gateway	Amount per Township Ledger	Difference
2013	Township	Beginning Balance	\$ 77,150.87	\$ 87,498.77	\$ (10,347.90)
2013	Township	Receipts	46,402.95	44,527.86	1,875.09
2013	Township	Disbursements	40,551.30	37,062.20	3,489.10
2013	Township	Ending Balance	83,002.52	94,964.43	(11,961.91)
2013	Township Assistance	Receipts	11,310.72	10,992.36	318.36
2013	Township Assistance	Disbursements	1,118.70	1,828.70	(710.00)
2013	Township Assistance	Ending Balance	26,822.52	25,794.16	1,028.36
2013	Fire Fighting	Beginning Balance	41,922.50	41,924.00	(1.50)
2013	Fire Fighting	Receipts	50,399.22	47,915.53	2,483.69

PINE TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS
(Continued)

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per Gateway</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2013	Fire Fighting	Disbursements	37,455.13	41,906.39	(4,451.26)
2013	Fire Fighting	Ending Balance	54,866.59	47,933.14	6,933.45
2013	Cumulative Fire	Beginning Balance	155,229.89	157,203.88	(1,973.99)
2013	Cumulative Fire	Receipts	30,479.36	30,069.54	409.82
2013	Cumulative Fire	Ending Balance	185,709.25	187,273.42	(1,564.17)
2013	Levy Excess	Beginning Balance	301.44	-	301.44
2013	Levy Excess	Ending Balance	301.44	-	301.44
2014	Township	Beginning Balance	83,002.52	99,351.84	(16,349.32)
2014	Township	Receipts	53,115.46	53,115.56	(0.10)
2014	Township	Disbursements	45,803.30	29,164.82	16,638.48
2014	Township	Ending Balance	90,314.68	123,302.58	(32,987.90)
2014	Township Assistance	Beginning Balance	26,822.52	25,794.16	1,028.36
2014	Township Assistance	Disbursements	4,034.42	3,324.42	710.00
2014	Township Assistance	Ending Balance	32,550.16	32,231.80	318.36
2014	Fire Fighting	Beginning Balance	54,866.59	47,933.14	6,933.45
2014	Fire Fighting	Receipts	50,257.53	50,261.53	(4.00)
2014	Fire Fighting	Disbursements	52,786.75	48,141.75	4,645.00
2014	Fire Fighting	Ending Balance	52,337.37	50,052.92	2,284.45
2014	Cumulative Fire	Beginning Balance	185,709.25	187,272.62	(1,563.37)
2014	Cumulative Fire	Receipts	30,267.59	28,431.17	1,836.42
2014	Cumulative Fire	Ending Balance	215,976.84	215,703.79	273.05
2014	Rainy Day	Receipts	10,000.00	-	10,000.00
2014	Rainy Day	Ending Balance	48,412.03	38,412.03	10,000.00
2014	Levy Excess	Beginning Balance	301.44	-	301.44
2014	Levy Excess	Receipts	17.69	-	17.69
2014	Levy Excess	Ending Balance	319.13	-	319.13
2015	Township	Beginning Balance	90,314.68	120,432.89	(30,118.21)
2015	Township	Receipts	52,731.96	52,365.92	366.04
2015	Township	Disbursements	39,543.58	27,889.74	11,653.84
2015	Township	Ending Balance	103,503.06	144,909.07	(41,406.01)
2015	Township Assistance	Beginning Balance	32,550.16	32,731.80	(181.64)
2015	Township Assistance	Ending Balance	36,099.84	36,281.48	(181.64)
2015	Fire Fighting	Beginning Balance	52,337.37	5,005.92	47,331.45
2015	Fire Fighting	Receipts	63,733.53	63,733.44	0.09
2015	Fire Fighting	Disbursements	44,282.37	44,698.52	(416.15)
2015	Fire Fighting	Ending Balance	71,788.53	69,087.84	2,700.69
2015	Cumulative Fire	Beginning Balance	215,976.84	217,540.21	(1,563.37)
2015	Cumulative Fire	Receipts	30,911.96	30,912.04	(0.08)
2015	Cumulative Fire	Ending Balance	246,888.80	248,452.25	(1,563.45)
2015	Rainy Day	Beginning Balance	48,412.03	38,412.03	10,000.00
2015	Rainy Day	Ending Balance	48,412.03	38,412.03	10,000.00
2015	Levy Excess	Beginning Balance	319.13	-	319.13
2015	Levy Excess	Ending Balance	319.13	-	319.13
2016	Township	Beginning Balance	103,503.06	144,909.09	(41,406.03)
2016	Township	Receipts	56,764.95	61,216.49	(4,451.54)
2016	Township	Disbursements	42,483.51	93,488.44	(51,004.93)
2016	Township	Ending Balance	117,784.50	112,637.14	5,147.36
2016	Township Assistance	Beginning Balance	36,099.84	36,281.48	(181.64)
2016	Township Assistance	Receipts	7,260.49	7,970.49	(710.00)
2016	Township Assistance	Disbursements	2,812.19	4,232.19	(1,420.00)
2016	Township Assistance	Ending Balance	40,548.14	40,019.78	528.36
2016	Fire Fighting	Beginning Balance	71,788.53	57,878.52	13,910.01
2016	Fire Fighting	Receipts	53,338.71	61,643.91	(8,305.20)
2016	Fire Fighting	Disbursements	54,210.97	66,615.00	(12,404.03)
2016	Fire Fighting	Ending Balance	70,916.27	52,907.43	18,008.84
2016	Cumulative Fire	Beginning Balance	246,888.80	248,452.17	(1,563.37)
2016	Cumulative Fire	Ending Balance	268,743.49	270,306.86	(1,563.37)
2016	Rainy Day	Beginning Balance	48,412.03	38,412.03	10,000.00
2016	Rainy Day	Receipts	10,000.00	30,000.00	(20,000.00)
2016	Rainy Day	Ending Balance	58,412.03	68,412.03	(10,000.00)
2016	Levy Excess	Beginning Balance	319.13	-	319.13
2016	Levy Excess	Ending Balance	319.13	-	319.13

PINE TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS
(Continued)

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)

PENALTIES AND INTEREST

The Township paid penalties and interest in the amount of \$443.87 for failure to remit tax payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TOWNSHIP ASSISTANCE STANDARDS

The Township established Township Assistance Standards in 2009; however, the standards were not renewed and updated annually in accordance with Indiana Code 12-20-5.5-1.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document;
and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed."

PINE TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS
(Continued)

ANNUAL NEPOTISM CERTIFICATION

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2014, 2015, or 2016.

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."

ANNUAL CONTRACTING POLICY CERTIFICATION

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2014, 2015, or 2016.

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

PINE TOWNSHIP, PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2017, with Andrew Himan, Jr., Trustee.