

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PERRY TOWNSHIP

BOONE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
09/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Derek Johnson Mary Alice "Sam" Baldwin	01-01-11 to 02-01-13 02-02-13 to 12-31-15
Chairman of the Township Board	John Hine Lee Giles	01-01-12 to 12-31-13 01-01-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our examination report of Perry Township (Township), Boone County, 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.

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

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

July 31, 2017

PERRY TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT NOT FILED TIMELY

Perry Township did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2015.

A similar comment also appeared in prior Report B42105.

Indiana Code 5-11-13-1 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."

DEPOSITS

Receipts were deposited later than the next business day in 23 percent of receipts tested.

Indiana Code 5-13-6-1(c) states: "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.

OVERDRAWN CASH BALANCE

The financial statements presented in this report included the Fire Fighting fund, which was overdrawn by \$43,211 at December 31, 2012.

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)

APPROPRIATIONS

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

Years	Fund	Excess Amount Disbursed	
2012	Fire Fighting	\$	42,515
2013	Fire Fighting		5,469
2013	Township		5,903

The same comment also appeared in prior Report B42105.

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."

PERRY TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

DEPOSITORY RECONCILIATIONS

Bank balances agreed to ledger balances; however, there was no evidence presented for examination that depository reconciliations of the fund balances to the bank account balances were performed monthly.

The same comment also appeared in prior Report B42105.

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."

CONTRACTS

Payments totaling \$75,000 were paid for fire services in 2014. A contract was not presented for these services.

A contract for fire services was presented for 2013; however, payments for the fire services did not agree with the amounts in the contract.

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

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Forms W-2 were not presented for 2013.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, 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)

APPROVAL OF SALARIES

The Township Board had not established the salaries of Township officers and employees for 2012, 2013, 2014, and 2015.

A similar comment also appeared in prior Report B42105.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages . . .

of all officers and employees of the township."

PERRY TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

The Township paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$793.01 because the Township did not remit 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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

NEPOTISM POLICY

The Township did not have a Nepotism Policy for 2012, 2013, and 2014.

Indiana Code 36-1-20.2-9 (a) states: "This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter.

CONTRACTING WITH A UNIT POLICY

The Township did not have a Contracting Policy for 2012, 2013, and 2014.

Indiana Code 36-1-21-4(a) states: "This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter."

NEPOTISM CERTIFICATION

Each elected officer had not certified in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, and 2014.

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."

CONTRACTING WITH A UNIT CERTIFICATION

Each elected officer had not certified in writing that the officer had not violated Indiana Code 36-1-21 (Contracting) by December 31, 2012, 2013, and 2014.

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."

PERRY TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

TOWNSHIP ASSISTANCE STANDARDS

Township Assistance Standards were not presented for 2012, 2013, 2014, and 2015.

Indiana Code 12-20-5.5-1(b) states:

"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."

BOARD MINUTES

The minutes of the meetings of the Township Board for 2012 were not presented.

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."

PERRY TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2017, with Amelia Lacy, Director of Finance and Records of the Town of Zionsville, and Edward J. Mitro, Deputy Mayor of the Town of Zionsville.