

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

COMPLIANCE REPORT

OF

SKELTON TOWNSHIP

WARRICK COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
01/30/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Timothy L. Seiler	01-01-11 to 12-31-18
Chairman of the Township Board	Cindy Curtis	01-01-12 to 12-31-13
	Cathy Oser	01-01-14 to 12-31-15
	Jon Jenkins	01-01-16 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SKELTON TOWNSHIP, WARRICK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Skelton Township (Township), Warrick 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 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

December 18, 2017

SKELTON TOWNSHIP, WARRICK COUNTY  
RESULTS AND COMMENTS

***PAYMENTS TO TRUSTEE AND CLERK***

Payments were made in advance to the Trustee for cemetery tree removal and mowing from 2013 through 2016 totaling \$17,700. No contract was presented and the payments made were not reported on Form W-2 or 1099.

Payments were made in advance to the Township Clerk for cemetery tree removal and mowing during 2012 totaling \$1,500. No contract was presented and the payments made were not reported on Form W-2 or 1099.

All payments for cemetery tree removal and mowing paid to the Trustee and Township Clerk from 2012 through 2016 were made without a Conflict of Interest Form on file with the Indiana State Board of Accounts or on Gateway.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Payments made or received for contractual services must 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)

Conflict of Interest disclosures must be completed on Gateway.

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Uniform and Compliance Guidelines Manual for Townships, Chapter 1)

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)

***PAYROLL WITHHOLDINGS***

The Trustee was paid without withholding Social Security and Medicare taxes for 2012. Township Board members were also paid without withholding Social Security and Medicare taxes for 2012, 2013, 2014, 2015, and 2016.

W-2s were not issued to Township Board members for 2012, 2013, 2014, 2015, and 2016.

SKELTON TOWNSHIP, WARRICK 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)

**OVERDRAWN CASH BALANCES**

The following funds had overdrawn cash balances at December 31:

Years	Fund	Amount Overdrawn
2012	Payroll Withholding	\$ 405.52
2013	Payroll Withholding	405.52
2014	Township Assistance	1,696.83
2014	Payroll Withholding	162.34
2015	Payroll Withholding	162.34
2016	Township Assistance	1,443.07
2016	Payroll Withholding	198.41

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 indicated the following disbursements in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Township Assistance	2012	\$ 3,426.72
Fire Fighting	2012	6,886.82
Township	2013	543.45
Township Assistance	2013	1,545.04
Fire Fighting	2013	6,987.81
Township	2015	2,519.31
Township Assistance	2015	4,826.48
Cumulative Fire	2015	3,218.19
Township Assistance	2016	6,981.32

Indiana Code 6-1.1-18-4 states: "Except as otherwise provided in this chapter, 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."

SKELTON TOWNSHIP, WARRICK COUNTY  
RESULTS AND COMMENTS  
(Continued)

***DEPOSITORY RECONCILEMENTS***

Depository reconciliations of the fund balances to the bank account balances were not presented for all 60 months during the period. At December 31, 2016, the bank account balance reconciliation exceeded the total of all funds ledger balance by \$1,381.49.

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."

SKELTON TOWNSHIP, WARRICK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2017, with Timothy L. Seiler, Trustee; Sheila Seiler, Township Clerk; and Tyler Heilman, Township Board member.