

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

COMPLIANCE REPORT
OF
CLOVERDALE TOWNSHIP
PUTNAM COUNTY, INDIANA
January 1, 2010 to December 31, 2016



FILED
12/06/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Daryl W. Branneman	01-01-07 to 12-31-10
	Jeff Finley	01-01-11 to 05-29-13
	Pat McFadden	05-30-13 to 12-31-14
	Dale Monnett	01-01-15 to 12-31-18
Chairman of the Township Board	Elaine Pearson	01-01-10 to 12-31-10
	Ron Smith	01-01-11 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLOVERDALE TOWNSHIP, PUTNAM COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Cloverdale Township (Township), Putnam County, for the period of January 1, 2010 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.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

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

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

October 25, 2018

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OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Township's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

CLOVERDALE TOWNSHIP, PUTNAM COUNTY
 STATEMENT OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

Fund	Cash and Investments 12-31-16
Township	\$ 18,372
Township Assistance	10,051
Fire Fighting	20,609
Cumulative Fire	35,171
Rainy Day	5,947
Fire Bldg Debt	2,695
 Total	 \$ 92,845

CLOVERDALE TOWNSHIP, PUTNAM COUNTY
RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES

The Annual Financial Report for 2013 contained the following funds with beginning balances that were less than the prior period ending balances: Township (\$17,862), Township Assistance (\$1,268), Fire Fighting (\$75,000), and Cumulative Fire (\$14,212). Beginning and ending balances should agree.

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

"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 and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

OVERDRAWN CASH BALANCES

A similar comment appeared in the prior report.

Per the Annual Financial Report, the Township's Fire Fighting fund had an overdrawn cash balance of \$12,934 and \$11,523 at December 31, 2010 and 2013, respectively, and the Cumulative Fire fund had an overdrawn cash balance of \$287 at December 31, 2014.

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

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations did not balance. The cash and investment balance per the 2016 financial statement was \$582.52 more than the December 31, 2016 adjusted bank balance. The adjusted bank balance agreed to the All Funds column in the Ledger. However, the All Funds total was \$3,433.48 less than the individual fund balances. Adjustments to bring the individual funds into agreement with the All Funds column were recommended and approved by the Trustee.

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."

CLOVERDALE TOWNSHIP, PUTNAM COUNTY
RESULTS AND COMMENTS
(Continued)

PUBLIC RECORDS RETENTION

The following records for 2010, 2011, and 2012 were not presented for evaluation:

- Ledger
- Bank statements
- Checks
- Supporting disbursement documentation
- Receipts
- Township Assistance applications and records

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

CONTRACTS

Payments for cemetery mowing were paid without a signed contract.

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)

ANNUAL FINANCIAL REPORT DIFFERENCES

There was no ledger presented for 2011 and 2012 to compare receipts, disbursements, and balances in the Annual Financial Report (AFR).

The AFR filed on Gateway for 2014, 2015, and 2016, did not match the financial activity of the Township. Adjustments were recommended and approved by the Trustee.

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)

CLOVERDALE TOWNSHIP, PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2018, with Dale Monnett, Trustee.