



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 21, 2023

TO: THE OFFICIALS OF MITCHELTREE TOWNSHIP, MARTIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Mitcheltree Township (Township), Martin County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

ADVANCE PAYMENTS

The same comment also appeared in prior Reports B44139 and B51238.

Condition and Context

Compensation was paid to the Trustee in advance of the actual date the services were provided throughout the engagement period.

Criteria

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 law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 1)

PENALTIES, INTEREST, AND OTHER CHARGES

The Trustee was responsible for the timely submission of payroll withholding tax payments. The Township paid a total of \$5,717 in penalties, interest, and other charges (collection services) to the Indiana Department of Revenue and legal order processing fees to Old National Bank for late payment of state and local payroll withholding taxes for the years 2015 through 2021 as follows:

<u>Years</u>	<u>Penalty</u>	<u>Interest</u>	<u>Other Charges - Collection Services</u>	<u>Other Charges - Bank Fees</u>	<u>Totals</u>
2015	\$ 56	\$ 28	\$ 533	-	\$ 617
2016	70	27	668	-	765
2017	72	18	1,597	-	1,687
2018	107	10	1,937	225	2,279
2019	63	23	-	75	161
2020	73	1	-	-	74
2021	118	16	-	-	134 *
Totals	<u>\$ 559</u>	<u>\$ 123</u>	<u>\$ 4,735</u>	<u>\$ 300</u>	<u>\$ 5,717</u>

* - This is not the final amount for 2021

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)

SUPPORTING DOCUMENTATION

Condition and Context

Out of the ten checks requested for disbursement testing, the Township was unable to provide complete support for seven.

Criteria

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)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, 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.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
As of December 31, 2021

Fund	Cash and Investments 12-31-21
Township	\$ 128,722
Township Assistance	81,934
Fire Fighting	30,990
Library	903
Rainy Day	1,610
Payroll Withholdings	4,608
Total	<u>\$ 248,767</u>

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

The contents of this report were communicated to Tammy Gore, Trustee; Steven L. Anderson, Township Clerk; and Becky Sellers, Township Board member, on March 28, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner