



STATE OF INDIANA
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B45523

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November 18, 2015

TO: THE OFFICIALS OF STONEY CREEK TOWNSHIP, RANDOLPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Stoney Creek Township (Township), for the period of January 1, 2012 to December 31, 2014, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

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 Townships Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://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.

Unresolved Comments From Prior Report

- *Depository reconciliations of the fund balances to the bank balances were not conducted. During our review, we noted the Township records included several posting errors.*
- *Payroll taxes withheld were not remitted to the Internal Revenue Service. IRS form W-2s were not issued for employees that received compensation from the Township.*
- *The Township Board did not meet in 2012, 2013, or 2014. In each year, it failed to approve the prior year's Annual Report and to adopt the subsequent year's annual budget.*
- *Deposits were not made timely. Tax distributions for the period January 2013 to April 2014 were not deposited until May 2014. Tax distributions totaling \$29,038 were never deposited, and continue to be listed as Outstanding Checks on the County Auditor's records.*
- *Numerous disbursements were not properly supported. Only 14 invoices were presented to support all the disbursements made for the entire review period.*

- *Contracts for fire protection and cemetery care were not presented for review.*
- *The Fire Fighting fund had overdrawn cash balances of \$11,223, \$20,793 and \$14,899 at December 31, 2012, December 31, 2013, and December 31, 2014, respectively.*

Current Period Comments

- *The Annual Reports and 100-Rs were not filed on Gateway system for 2012 and 2013.*
- *The Township did not adopt an annual resolution establishing salaries of Township officers and employees for the years 2012, 2013, and 2014.*
- *Ten out of eleven quarterly Trustee salary payments were paid up to four months in advance of the actual date the services were provided.*
- *Township Assistance Standards established in accordance with Indiana Code 12-20-5.5-1 were not presented for review.*
- *The Township did not have a Nepotism Policy for 2012, 2013, or 2014.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, and 2014.*
- *The Township did not have a Contracting Policy for 2012, 2013, or 2014.*
- *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, 2012, 2013, and 2014.*
- *The Trustee paid \$500 for a computer that was not turned over to the newly appointed Trustee. (See the Special Investigative Report issued on Stoney Creek Township)*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on February 2, 2015, with Lori McCollum, Trustee, and P. Michael Thomas, President of the Board of the Township Board (Acting). Janice Bradburn, former Trustee, did not respond to our request for an exit conference.

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