

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

EXAMINATION REPORT  
OF  
BOON TOWNSHIP  
WARRICK COUNTY, INDIANA  
May 1, 2009 to September 30, 2010



**FILED**  
02/15/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Examination Results and Comments:	
Additional Compensation and Unauthorized Disbursements .....	6-7
Overpayment of Payroll .....	7-8
Disbursement Documentation (Unidentified Purposes) .....	8
Capital Asset Records .....	8-9
Board of Finance .....	9
Board Minutes.....	9
List of Employees Not Filed With County Treasurer .....	9
Contracts .....	10
Appropriations.....	10
Official Bond .....	10-11
Supporting Documentation .....	11
Bank Account Reconciliations .....	11
Condition of Records .....	11-12
Overdrawn Fund Balances .....	12
Optical Images of Checks.....	12-13
Mileage Reimbursement.....	13
Advance Payments.....	13
Prescribed Forms .....	13-14
Timely Recordkeeping.....	14
Public Records Retention .....	14
Examination Costs – Condition of Records.....	14-15
Payments for Cemetery Care and Fire Hydrant Maintenance .....	15
Penalties, Interest, and Other Charges .....	15
Official Bond Information .....	15
Exit Conference.....	16
Summary .....	17
Affidavit .....	19

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard L. Pryor (Deceased)	01-01-07 to 09-08-10
	Vacant	09-09-10 to 09-26-10
	Kevin Derr	09-27-10 to 12-31-10
Chairman of the Township Board	Mike Webb	01-01-09 to 12-31-10



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Boon Township (Township), for the period of May 1, 2009 to September 30, 2010. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the period ended December 31, 2009, and the period ended September 30, 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 1, 2010

BOON TOWNSHIP, WARRICK COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of The Periods Ended December 31, 2009 And September 30, 2010

	Cash and Investments 05-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 44,363	\$ 41,363	\$ 108,959	\$ (23,233)
Dog	632	-	-	632
Township Assistance	(9,852)	32,308	64,278	(41,822)
Firefighting	73,029	107,059	10,801	169,287
Park and Recreation	(1,871)	2,858	500	487
	<u>106,301</u>	<u>183,588</u>	<u>184,538</u>	<u>105,351</u>
Totals	<u>\$ 106,301</u>	<u>\$ 183,588</u>	<u>\$ 184,538</u>	<u>\$ 105,351</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 09-30-10
Governmental Funds:				
Township	\$ (23,233)	\$ 69,235	\$ 88,017	\$ (42,015)
Dog	632	-	632	-
Township Assistance	(41,822)	54,967	70,785	(57,640)
Firefighting	169,287	183,623	214,726	138,184
Park and Recreation	487	4,995	4,750	732
Fiduciary Fund:				
Payroll Withholdings	-	2,136	-	2,136
	<u>105,351</u>	<u>314,956</u>	<u>378,910</u>	<u>41,397</u>
Totals	<u>\$ 105,351</u>	<u>\$ 314,956</u>	<u>\$ 378,910</u>	<u>\$ 41,397</u>

The accompanying notes are an integral part of the financial information.

BOON TOWNSHIP, WARRICK COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS

ADDITIONAL COMPENSATION AND UNAUTHORIZED DISBURSEMENTS

Additional compensation and unauthorized disbursements, as detailed in the table below, were made by Richard L. Pryor, former Trustee, to himself. These payments (205 checks from May 1, 2009 to September 30, 2010) were for cemetery care and hydrant maintenance. We were unable, based on the records presented, to separate the payments between cemetery care and hydrant maintenance because several checks did not specify whether the amount was labor for cemetery care or hydrant maintenance. Therefore the payments are listed by year. A similar comment was included in the prior report.

May 1, 2009 to December 31, 2009	\$ 55,819.17
January 1, 2010 to September 30, 2010	<u>33,550.16</u>
Total	<u>\$ 89,369.33</u>

IC 36-6-4-3 concerning a township trustee's responsibilities and duties states, "The executive shall do the following: (1) Keep a written record of official proceedings. (2) Manage all township property interests. (3) Keep township records open for public inspection. (4) Attend all meetings of the township legislative body. (5) Receive and pay out township funds. (6) Examine and settle all accounts and demands chargeable against the township. (7) Administer township assistance under IC 12-20 and IC 12-30-4. (8) Perform the duties of fence viewer under IC 32-26. (9) Provide and maintain cemeteries under IC 23-14. (10) Provide fire protection under IC 36-8, except in a township that: (A) is located in a county having a consolidated city; and (B) consolidated the township's fire department under IC 36-3-1-6.1. (11) File an annual personnel report under IC 5-11-13. (12) Provide and maintain township parks and community centers under IC 36-10. (13) Destroy detrimental plants, noxious weeds, and rank vegetation under IC15-3-4. (14) Provide insulin to the poor under IC 12-20-16. (15) Perform other duties prescribed by statute."

IC 36-6-6-10 concerning compensation of officers and employees states in part, "(b) **The township legislative body shall fix** the: **(1) salaries**; (2) wages; (3) rates of hourly pay; and (4) remuneration other than statutory allowances; of **all officers and** employees of the township . . . (d) Except as provided in subsection (e), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available. . . ." Our Emphasis

We are not aware of any statutory provisions which would allow a trustee to circumvent a township board's authority to "fix the salaries" of a trustee by "contracting with themselves" to provide for cemetery care, township assistance investigations, weed eradication, and other statutory duties. etc. Therefore, the State Board of Accounts is of the audit position that compensation provided by a township board in accordance with IC 36-6-6-10 is all inclusive for all duties performed by a trustee. We will request reimbursement for any payments received above the compensation established for any township trustee, board member or employee by IC 36-6-6-10. (Township Bulletin and Uniform Compliance Guidelines, Volume 284, page 5, February 2009)

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 17)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERPAYMENT OF PAYROLL

Township Trustee

No salary resolution was presented for examination for 2009 but the Trustee verified that the budgeted amount of \$14,000 was the approved amount. However, the salary paid to Richard L. Pryor, former Trustee, totaled \$23,153.68 for 2009. Therefore, the former Trustee was overpaid \$9,153.68 for 2009.

No salary resolution was presented for examination for 2010 but the former Trustee had previously verified that the budgeted amount of \$14,650 was the approved amount. The former Trustee, Richard L. Pryor, passed away on September 8, 2010. The total salary due for January 1, 2010 to September 8, 2010, was \$10,142.20. The total salary paid to Richard L. Pryor, former Trustee, up to September 8, 2010, was \$17,769.18. Therefore, the former Trustee was overpaid \$7,626.98 as of September 8, 2010.

We are requesting repayment of the overpayment of payroll in the amount of \$16,780.66 which was paid to Richard L. Pryor, former Trustee. (See Summary, page 17)

Clerk

No salary resolution was presented for examination for 2009 but the budget listed a salary at \$16,000 (\$8,000 from the Township General Fund and \$8,000 from the Township Assistance Fund). However, these budgeted salary line items were for two employees. The Trustee verified that the salary for Clover Bates, former Clerk, was \$16 per hour worked not to exceed \$14,000. The salary paid to Clover Bates, former Clerk, totaled \$15,166.85 for 2009. Therefore, the former Clerk was overpaid \$1,166.85 for 2009.

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

No salary resolution was presented for examination for 2010 for the Clerk. The 2010 budget listed a salary at \$16,450 (\$8,300 from the Township General Fund and \$8,350 from the Township Assistance Fund). However, these salary line items were for two employees. The Trustee had previously verified that the salary for Clover Bates, former Clerk, was \$14,000. The Clerk stopped working on September 8, 2010, the date of the Trustee's death. The total salary due for January 1, 2010 to September 8, 2010, was \$9,692.20; however, the salary paid to Clover Bates, former Clerk, up to September 8, 2010, totaled \$9,895.91 for 2009. Therefore, the Clerk was overpaid \$203.71 as of September 8, 2010.

We are requesting repayment of the overpayment of payroll in the amount of \$1,370.56 from Clover Bates, former Clerk, and Richard L. Pryor, former Trustee, jointly and severally. (See Summary, page 17)

Compensation and any other payments for goods and services should 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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 17)

DISBURSEMENT DOCUMENTATION (UNIDENTIFIED PURPOSES)

Five payments totaling \$1,100 made to Whitney Phillips, former Clerk, between July 19, 2010 and August 30, 2010, did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

We are requesting repayment of the undocumented disbursements for unidentified purposes in the amount of \$1,100 from Whitney Phillips, former Clerk, and Richard L. Pryor, former Trustee, jointly and severally. (See Summary, page 18)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using General Form 369, Capital Asset Ledger.

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD OF FINANCE

The minutes presented for examination did not contain information related to the annual meeting of the board of finance or the election of officers to the board of finance for 2010. A similar comment was included in the prior report.

IC 5-13-7-6(a) states in part:

"Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . Elect from the board's membership . . . a president; and . . . a secretary. The officers elected hold office until the officers' successors are elected and qualified."

BOARD MINUTES

Details of decisions made, such as salaries amounts and contract amounts, were not included for all meetings. A similar comment was included in the prior report.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer. A similar comment was included in the prior report.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CONTRACTS

Records presented for examination indicate a payment was made to the City of Boonville for fire protection services in 2010, but was not paid in full according to the contract. The contract provides that the Township agrees to pay the City of Boonville the total distribution for Boon Township Firefighting spring and fall distributions. The Township made a payment of \$95,137.02, but the spring distribution totaled \$104,295.27. The Township owes the City of Boonville \$9,158.25.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township	2009	\$ 79,579
Township Assistance	2009	23,563

During 2009, the Trustee purchased a Dixie Chopper lawnmower worth \$9,372 paid in forty-two payments. There was no appropriation set up for these payments, which contributed to the overdrawn appropriations in the Township General Fund.

A similar comment was included in the prior report.

IC 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."

OFFICIAL BOND

The official bond was filed in the Office of the County Recorder, but the official bond was not amended to increase the coverage from \$15,000 to \$30,000.

Until July 1, 2009, IC 5-4-1-18 stated in part:

"(c) The fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (2) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000) . . ."

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. . . ."

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. A similar comment was included in the prior report.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment was included in the prior report.

IC 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."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) Record balances were not reconciled to depository balances.

IC 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."

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks not recorded in the proper amounts, posted twice or not posted and interest not posted.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (3) The general ledger was not posted for April, May and June of 2009.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

A similar comment was included in the prior report.

OVERDRAWN FUND BALANCES

The Township Fund and Township Assistance Fund were overdrawn as of September 30, 2010. A similar comment was included in the prior report.

The 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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OPTICAL IMAGES OF CHECKS

The Peoples Trust and Savings Bank did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks. A similar comment was included in the prior report.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

MILEAGE REIMBURSEMENT

The Trustee was reimbursed for mileage without filing Mileage Claim, General Form 101. A similar comment was included in the prior report.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments for mowing services, hydrant maintenance and payroll to the Township Trustee and employees were made prior to the receipt of services. A similar comment was included in the prior report.

Compensation and any other payments for goods and services should 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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The following prescribed forms were not in use:

- Township Form 16 - Township Trustee's Receipt
- Township Form 17 - Resolution Establishing Salaries of Township Officers and Employees
- Township Assistance Form TA-1A - Notice of Township Assistance Action
- Township Assistance Form TA-1B - Application for Additional or Continuing Township Assistance
- General Form 100R - Certified Report of Names, Addresses, Duties and Compensation of Public Employees
- General Form 101 - Mileage Claim
- General Form 369 - Capital Asset Ledger

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

A similar comment was included in the prior report.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TIMELY RECORDKEEPING

We noted for the seventeen month period covered by our examination instances of at least the first three months of checks not posted to the ledger. Several other checks were not posted through the next eleven months. There were five ledger pages of checks posted that were posted twice, and the last three months of checks were not posted to the ledger. There were no receipts posted to the ledger. A similar comment was included in the prior report.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PUBLIC RECORDS RETENTION

Township Assistance applications and purchase orders, many invoices and other records were not presented for examination. A similar comment was included in the prior report.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission. . . ."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

EXAMINATION COSTS – CONDITION OF RECORDS

We noted the following concerning the records: during the entire period covered by our examination the general ledger had not been posted for six months, five pages of ledger checks in the ledger were listed twice, supporting documentation for disbursements were not presented for examination, township assistance purchase orders and assistance applications were not presented for examination, bank statements and copies of cancelled checks had to be obtained from the bank, and the general ledger had not been reconciled to the bank for the entire seventeen month period covered by our examination. Additional examination time was required to prepare information necessary for the examination report.

BOON TOWNSHIP, WARRICK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYMENTS FOR CEMETERY CARE AND FIRE HYDRANT MAINTENANCE

Payments were made to individuals from May 1, 2009 to September 30, 2010, for cemetery work and fire hydrant maintenance totaling \$5,784 without payroll deductions and/or without supporting documentation, agreements or contracts.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$468.58 were paid to the Internal Revenue Service and Indiana Department of Revenue on payroll withholding reports for several periods (941 Employer's Quarterly Federal Tax Returns and State Monthly Withholding Tax reports).

We are requesting repayment of the penalties, interest and other charges paid for late filing of payroll withholding reports in the amount of \$468.58 by Richard L. Pryor, former Trustee. (See Summary, page 17)

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 13)

OFFICIAL BOND INFORMATION

Richard L. Pryor, Trustee (Deceased), was covered by a Pekin Insurance Company Indiana Public Official Bond in the amount of \$15,000 for the period January 1, 2007 to December 31, 2010.

BOON TOWNSHIP, WARRICK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2010, with Kevin Derr, Trustee.

The Examination Result and Comment on Disbursement Documentation (Unidentified Purposes) was discussed on December 21, 2010, with Whitney Phillips, former Clerk.

Clover Bates, former Clerk, was left phone messages to meet and discuss the Examination Result and Comment on Overpayment of Payroll, but none of the messages were returned to schedule an exit conference.

BOON TOWNSHIP, WARRICK COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Richard L. Pryor, former Trustee (deceased):			
Additional Compensation and Unauthorized Disbursements, pages 6 and 7			
2009	\$ 55,819.17	\$ -	\$ 55,819.17
2010	<u>33,550.16</u>	<u>-</u>	<u>33,550.16</u>
Total Additional Compensation and Unauthorized Disbursements	<u>89,369.33</u>	<u>-</u>	<u>89,369.33</u>
Richard L. Pryor, former Trustee (deceased):			
Overpayment of Payroll, pages 7 and 8			
2009	9,153.68	-	9,153.68
2010	<u>7,626.98</u>	<u>-</u>	<u>7,626.98</u>
Total Overpayment of Payroll	<u>16,780.66</u>	<u>-</u>	<u>16,780.66</u>
Richard L. Pryor, former Trustee (deceased):			
Penalties, Interest and Other Charges, page 15			
2009	131.11	-	131.11
2010	<u>337.47</u>	<u>-</u>	<u>337.47</u>
Total Penalties, Interest and Other Charges	<u>468.58</u>	<u>-</u>	<u>468.58</u>
Clover Bates, former Clerk, and Richard L. Pryor, former Trustee (deceased); jointly and severally:			
Overpayment of Payroll, page 7 and 8			
2009	1,166.85	-	1,166.85
2010	<u>203.71</u>	<u>-</u>	<u>203.71</u>
Total Overpayment of Payroll	<u>1,370.56</u>	<u>-</u>	<u>1,370.56</u>
Whitney Phillips, former Clerk, and Richard L. Pryor, former Trustee (deceased); jointly and severally:			
Disbursement Documentation (Unidentified Purpose), page 8			
2010	<u>1,100.00</u>	<u>-</u>	<u>1,100.00</u>
Totals	<u>\$ 109,089.13</u>	<u>\$ -</u>	<u>\$ 109,089.13</u>

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AFFIDAVIT

STATE OF INDIANA        )  
                                  )  
Vanderburgh COUNTY )

I, Alan C. Linneweber, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Boon Township, Warrick County, Indiana, for the period from May 1, 2009 to September 30, 2010, is true and correct to the best of my knowledge and belief.

Alan C. Linneweber  
Field Examiner

Subscribed and sworn to before me this 8<sup>th</sup> day of February, 2011.

Dena D. Goad  
Notary Public

My Commission Expires: 4/4/2015  
County of Residence: Vanderburgh



DENA D. GOAD  
Notary Public, State of Indiana  
Residing in Vanderburgh County  
My Commission Expires April 4, 2015