



STATE OF INDIANA
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B43767

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June 27, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Rutherford Township (Township), for the period of January 1, 2011 to December 31, 2013, 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 Township's 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.

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for examination for 26 out of 36 months during the examination period. Depository reconciliations of the fund balances to the bank account balances were conducted on 10 months; however, the conciliations did not balance. In addition, the April 2013 bank statement was not presented for examination.*
- *The Annual Financial Report filed on the Gateway for 2013 contained errors and did not properly reflect the financial activity of the Township.*

| <u>Year</u> | <u>Fund</u> | <u>(Beg Bal, Receipt, Disb, End Bal) Category</u> | <u>Amount per Gateway</u> | <u>Amount Per Township Ledger</u> | <u>Difference</u> |
|-------------|-------------|---|-------------------------------|---------------------------------------|-------------------|
| 2013 | Township | Disb | \$ 19,258.62 | \$ 19,266.45 | \$ (7.83) |
| 2013 | Excess Levy | Beg Bal | 55.71 | - | 55.71 |
| 2013 | Excess Levy | End Bal | 55.71 | - | 55.71 |

- *Receipts were deposited later than the 1st and 15th of the month in 2011, 2012, and 2013. Records indicate that in eight instances receipts were deposited later than the 1st and 15th day of the month.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees.*
- *The Township paid \$28,395 of compensation in advance of the actual date the services were provided.*
- *Payments made for \$800 did not comply with the amount in the written contract for 2011 to John Hembree for mowing. In addition, records indicate the reported amount on the 1099 for this individual was \$700 instead of \$800.*
- *Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Payments were made in 2011, 2012, and 2013 for Annual Report and 100R preparation and filing without supporting documentation for examination. In addition, an advertising publication was made in 2011 without supporting documentation presented for examination.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Trustee Surety Bond was insufficient per the Indiana Code in 2011 and 2012.*
- *The required abstract was not published in accordance with Indiana Code 36-6-4-13 for 2013.*
- *The Annual Report for 2013 was not filed electronically until March 2, 2014.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2013. The report was filed on February 21, 2014, which is 21 days past the due date.*

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 May 22, 2014, with Terry Street, Trustee, and Sue Hembree, prior Trustee. Any Official Response attached to this letter was not verified for accuracy.

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