



STATE OF INDIANA
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B44320

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October 16, 2014

TO: THE OFFICIALS OF POSEY TOWNSHIP, RUSH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Posey 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.

Unresolved Comments From Prior Report

- *Payments to some employees were made without payroll deductions for taxes in 2011 and 2012.*


Current Period Comments

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2012.*

- *Payroll taxes withheld were not properly remitted to the IRS in 2011. The Township paid penalties, interest, and other charges to United States Treasury in the amount of \$82.83 on April 12, 2012, for the December 31, 2011 taxing period because the Township did not remit payments on a timely basis.*
- *W-2s for 2011, 2012, and 2013 were not presented for review.*
- *The Township did not present a Nepotism Policy for 2012.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) in 2012.*
- *The Township did not present a Contracting Policy for 2012.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) in 2012.*
- *The Township paid credit card payments to the Walmart Community Card for charges by the Posey Township Volunteer Fire Department and did not have a credit card policy approved by the Township Board.*

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 June 4, 2014, with Lurinda Smith, Trustee.


Paul D. Joyce, CPA
State Examiner