



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B44327

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October 17, 2014

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

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

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 Comment From Prior Report***

- *Township Board members were paid the gross amount of wages. Payroll taxes were not withheld from their pay.*

***Current Period Comments***

- *Bank reconcilements were not presented for review for 2011, 2012, or 2013.*
- *The Annual Financial Reports filed on Gateway for 2011, 2012, and 203 contained errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Beginning Balance	\$ 14,951.39	\$ 14,951.19	\$ 0.20
2011	Township	Receipts	7,910.49	7,957.31	(46.82)
2011	Township	Ending Balance	14,910.65	14,957.27	(46.62)
2012	Township	Beginning Balance	8,961.64	14,957.17	(5,995.53)
2012	Township	Receipts	9,061.68	3,065.95	5,995.73
2012	Township	Ending Balance	10,005.68	10,005.48	0.20
2013	Township	Beginning Balance	1,954.69	10,005.68	(8,050.99)
2013	Township	Receipts	10,886.67	2,835.68	8,050.99

- *Beginning cash balances for the Township fund for 2012 and 2013 were incorrect. The beginning balances did not include the proper balance for the savings account and did not agree with the prior year ending balances.*
- *The Township did not present a Contracting Policy for 2012 or 2013.*
- *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 and 2013.*
- *The amount of compensation reported on the 2013 Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was \$100 more than the amount approved and paid to the Trustee for 2013.*

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 Barbara Richey, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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

June 11, 2014  
To: State Board of Accounts  
RE: June 4, 2014 Trustee Audit

I am responding to a few of the comments made on the June 4, 2014 audit conducted. The Bank reconcilements were not properly reconciled to your standards. I am not in the habit of reconciling statements in the format you requested or expected. I can assure you that the accounts balanced. As for interest not included in receipts for the savings account, they were indeed reported on my year end report. They were just not reconciled as you requested or expected. The bank transfers refer to inter-fund transfers in the ledger. It was not clear on how to show this through Gateway at the end of 2012, since this program was in it's infancy and still learning mode, I did the best I could with the options presented at the time. The funds were properly accounted for and disbursed in the proper funds. As for the savings account that was closed and funds added to the General funds for operating, all are accounted for and properly disbursed in this fund. I will do better in complying with what is expected in reconciling and balancing statements since I am now better informed on what is expected of me.

The cash balances for 2012 and 2013 will be looked into more thoroughly. I will find the 36 cents that is causing the discrepancy in this fund.

As for the contracting policy, I misunderstood the memo given in 2012 from the SBOA. I was under the impression that this was for city and town, I did not see where townships were involved. Policies will be made and enforced, yearly follow-ups will be a part of our routine from this time forward, as well as the anti-nepotism policy.

Barbara Richey, Orange Township Trustee Rush County