



STATE OF INDIANA
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B44508

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November 21, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Point Township (Township), for the period of January 1, 2010 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 Comment From Prior Report

- *As reported in the prior report, depository reconciliations of the fund balances to the bank account balances were conducted monthly during 2010, 2011, 2012, and 2013; however, the reconciliations did not balance. As of December 31, 2013, the bank account reconciliation identified cash long in the amount of \$183.36.*

Current Period Comments

- *Township records such as the minutes, Township assistance records, and supporting documentation for expenditures for January 1, 2010 through May 31, 2011, were not presented for review. Virginia Sue Thompson, former Trustee, stated in a letter to the Indiana State Board of Accounts that these records were maintained at her home which also served as the Township Office. These records, along with her home, were destroyed due to an Ohio River flood in May of 2011. The Township ledger and bank statements including optical images of canceled checks were not destroyed because these records were maintained at another location at the time of the flood.*

- The Annual Financial Reports filed on Gateway for 2011 and 2013 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 Ledger</u>	<u>Difference</u>
2011	Township	Beg. Balance	\$ 17,558.80	\$ 17,658.80	\$ (100.00)
2011	Township	Disbursements	6,676.96	6,927.14	(250.18)
2011	Township	End. Balance	23,206.50	23,056.32	150.18
2013	Township	Receipts	14,962.94	15,648.13	(685.19)
2013	Township	End. Balance	30,754.67	31,439.86	(685.19)

- The records presented for review indicated the following disbursements in excess of budgeted appropriations:


<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	<u>\$ 780</u>

- Receipts were deposited later than the first and fifteenth of the month. During the period January 1, 2011 through December 31, 2013, twenty-three receipts were deposited later than the first and fifteenth of the month. In November 2011, one receipt was deposited 130 days past the required date of deposit.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.
- Payroll taxes withheld were not properly remitted to the Internal Revenue Service. The Township paid penalties, interest, and other charges in the amount of \$112.53 because the Township did not remit payments on a timely basis.
- Employees of the Township were paid without the Township withholding federal, state, and local taxes.
- W-2s were not issued for Board members.
- The Township did not have the required meeting to review and adopt the Annual Report in accordance with Indiana Code 36-6-6-9 for 2011.
- The Township did not have a Nepotism Policy for 2012 or 2013.
- 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 and 2013.

- *The Township did not have 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 Annual Report for 2011 was not filed electronically until April 3, 2012, which was 34 days past the due date.*
- *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 2011. The report was filed on April 27, 2012, which was 87 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 August 28, 2014, with Connie Thompson, Trustee, and Virginia Sue Thompson, former Trustee.


Paul D. Joyce, CPA
State Examiner