



STATE OF INDIANA
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B44582

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December 10, 2014

TO: THE OFFICIALS OF POSEY TOWNSHIP, FRANKLIN 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, 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 Comments From Prior Report

- *The Township paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$46.87 because the Township did not remit payments on a timely basis. We requested that the Trustee reimburse the Township for the penalties and interest incurred.*
- *Some employees of the Township were paid without the Township withholding Medicare or Social Security taxes.*
- *The Trustee was not properly bonded for 2011, 2012, and 2013. The Trustee's Surety Bond was only \$15,000 instead of the \$30,000 required by Indiana Code 5-4-1-18. Documentation showing a Surety Bond for 2010 was not presented for review.*

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2010, 2011, 2012, and 2013. Because no reconcilements were presented, we performed year-end reconcilements as of December 31, 2010, 2011, 2012, and 2013. Our reconciliation of the fund balances to the bank account balances identified a cash short of \$460.74 at both December 31, 2012 and 2013. The difference was identified and the Trustee will make the adjustment in the 2014 ledger.*
- *The Township's 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. An image of the back side, or endorsement side, of the checks was not returned or provided.*
- *The following fund had an overdrawn cash balance at December 31:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2013	Fire Fighting	\$ <u>525</u>

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Township Assistance	\$ 75
2012	Township	499
2012	Township Assistance	100
2012	Fire Fighting	1,235


- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, and 2013.*
- *The only W-2 presented for review was issued to the Trustee for the year 2010. W-2s were not issued to any other employees. The Township issued W-2s for the Trustee for 2011, 2012, and 2013; however, they were not presented for review.*
- *Payments made for cemetery mowing were not supported by a written, approved contract. Payments for fire protection were made in 2013 without a written, approved contract.*
- *The Township did not have the required meeting to review and adopt the Annual Financial Report in accordance with Indiana Code 36-6-6-9 for 2010, 2011, and 2012.*
- *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 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 2010, 2011, or 2013. The dates the reports were due, filed, and number of days late is scheduled below:*

<u>Due Date</u>	<u>Date Filed</u>	<u>Days Late</u>
01-31-11	05-16-11	105
01-31-12	05-31-12	121
01-31-14	02-16-14	16

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 29, 2014, with Lisa Hollars, Trustee.


Paul D. Joyce, CPA
State Examiner