



STATE OF INDIANA
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B44921

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March 13, 2015

TO: THE OFFICIALS OF POSEY TOWNSHIP, WASHINGTON 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.

Current Period Comments

- *The depository reconciliation performed at December 31, 2013, reconciled to the Total All Funds balance. However, the total of the individual funds did not agree with the Total All Funds balance. The total of the individual funds balance was greater than the Total All Funds by \$135.91.*
- *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 Annual Report filed on Gateway for 2011 and 2012 contained a number of errors and did not properly reflect the financial activity of the Township as shown in the following schedule:*

<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	39,768.54	40,180.97	(412.43)
2011	Township	Receipts	30,567.58	32,224.18	(1,656.60)
2011	Township	Disbursements	34,065.55	35,242.75	(1,177.20)
2011	Township	Ending Balance	36,270.57	37,162.40	(891.83)
2011	Levy Excess	Beg. Balance	136.43	-	136.43
2011	Levy Excess	Ending Balance	136.43	-	136.43
2012	Township	Receipts	46,732.55	48,603.94	(1,871.39)
2012	Township	Disbursements	34,224.95	36,167.68	(1,942.73)
2012	Township	Ending Balance	49,670.00	49,278.66	391.34

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Cumulative Fire	\$ 1,100.00
2013	Cumulative Fire	8,699.75

- The Trustee pays gross salary amounts for the Trustee and the Clerk's salaries and does not withhold federal and state income taxes and Social Security and Medicare taxes as required. The Townships remits both the employer and employee share of Social Security and Medicare taxes to the Internal Revenue Service. The Trustee subsequently pays in the amount of the employee's share of Social Security and Medicare Taxes to the Township.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) contained errors in the amounts reported. For 2012, the Trustee's salary reported was \$19,200 but he actually received \$17,600 due to him receiving one less pay in that year. For 2013, the Trustee's salary reported was \$19,200 but he actually received \$20,800 as he was paid for the amount missed in the previous year. Additionally, for 2013, the salaries reported for the Township Board members showed they received \$4,800 each but they actually received \$1,200 each
- The amount reported on the Trustee's Ws2 for 2012 was in correct. \$17,600 was the amount actually received by the Trustee, but \$19,200 was reported.
- The Township Board members 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 Trustee did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December, 31, 2013.

- *The Township Board members 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 Trustee did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 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 9, 2014, with Michael H. Dohoney, Trustee.


Paul D. Joyce, CPA
State Examiner