



STATE OF INDIANA
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B46496

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June 23, 2016

TO: THE OFFICIALS OF THE CARR TOWNSHIP, CLARK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Carr Township (Township), for the period of January 1, 2010 to December 31, 2014, 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 accepted auditing standards generally accepted in the United States of America. 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

- Depository reconciliations of the fund balances to the bank account balances were not properly performed during the review period. An adding machine tape was included for each month of 2010, 2011, 2012, and 2013; however, reconciling items were not identified to determine if the bank and fund balances were in agreement. No reconciliation procedures were presented for 2014.*
- The Financial and Appropriation Record (Form 1C) did not have month to date or year to date totals of receipts and disbursements, in order, to provide summarized financial activity. Month to date and year to date totals of receipts and disbursements were also not provided for 2010, 2011, 2012, 2013, and 2014.*

- *Payments to the Internal Revenue Service (IRS) for payroll taxes were not paid in a timely manner. Payroll taxes withheld were not properly remitted to the IRS for 2011, 2012, 2013, and 2014. Employees and Employers share of Social Security and Medicare totaling \$7,761.32 was shown as disbursed in the Townships Financial and Appropriation Record during this period; however, none of the checks issued for these remittances cleared the Townships depository account.*
- *Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.*
- *Instances were noted of Township assistance payments without an Application for Township Assistance or supporting documentation during 2010, 2013, and 2014.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2010, 2011, 2012, 2013, and 2014.*
- *The Trustee was not properly bonded during the audit period.*

Current Period Comments

- *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> |
|-------------|---------------------|------------------------------------|
| 2010 | Township | \$ 17,770.73 |
| 2010 | Township Assistance | 3,249.25 |
| 2011 | Township | 23,806.74 |
| 2011 | Township Assistance | 2,415.98 |
| 2012 | Township | 24,006.79 |
| 2012 | Township Assistance | 2,853.43 |

- *Receipts are required by Indiana Code 5-13-6-1 to be deposited by the first and fifteenth of the month. Several county tax distributions were deposited from 2 days to 225 days past the required date of deposit.*
- *The Township Board did not approve salaries of Township officers and employees during the review period.*
- *The Township paid monthly compensation to the Trustee and Clerk in advance of the actual date the services were provided.*
- *Employees of the Township were paid without the Township withholding any applicable federal, state, and local taxes.*
- *The Township did not present evidence that the annual report was published in accordance with Indiana Code 36-6-4-13 for the review period.*
- *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, 2013, and 2014.*
- *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, 2013, and 2014.*

- *Indiana Code 5-11-1-4 requires an Annual Financial Report to be filed with the State Examiner 60 days after the close of the fiscal year. The Annual Financial Reports for 2010, 2011, 2012, and 2013 were not filed until July 11, 2011, June 20, 2012, July 22, 2013, and May 30, 2014, which was 132, 112, 143, and 92 days, respectively, 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) with the State Board of Accounts for 2010, 2011, and 2013. The reports were filed on July 11, 2011, June 18, 2012, and February 9, 2014, which are 161, 138, and 9 days, respectively, 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 March 14, 2016, with Barbara Ann Reynolds, Trustee; Samuel W. Jones II, Advisory Board member; and Steven L. Anderson, Bookkeeper. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner