



**STATE OF INDIANA**  
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B46727

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August 4, 2016

TO: THE OFFICIALS OF PERRY TOWNSHIP, CLAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Perry Township (Township), for the period of January 1, 2012 to December 31, 2015, 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 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.

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***

- *Township Board approval of salaries for 2012, 2013, 2014, and 2015 were not presented for review.*
- *Payments made for mowing and fire protection were not supported by a written contract in 2015.*
- *The Trustee was not properly bonded for 2012, 2013, 2014, and 2015. The bond amount was \$15,000 instead of the required \$30,000.*
- *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>
2012	Township	\$ 10,222.15
2012	Fire Fighting	3,380.00
2013	Township	11,403.87
2013	Fire Fighting	5,380.00
2014	Fire Fighting	4,000.00

- Township Assistance payments were made without an Application for Township Assistance on file for 2012. Township Assistance records for 2012 were not presented for review.
- The following funds had overdrawn cash balances at December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2012	Fire Fighting	\$ (1,854.23)
2014	Fire Fighting	(434.28)

#### **Current Period Comments**

- The Annual Financial Report filed on Gateway for 2012 did not match the Township's records as shown:

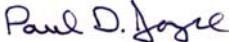
<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Fire Fighting	Receipts	\$ 15,513.88	\$ 15,518.88	\$ 5.00

- The Annual Financial Report for 2012 was not filed electronically until March 7, 2013, which was six days past the deadline.
- 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 2012. The report was filed on March 18, 2013, which is 46 days past the due date.
- The Township paid \$42,595.48 of compensation in advance of the actual date the services were provided.
- The wages reported on W-2s issued for 2012, 2013, 2014, and 2015 did not agree with the actual amounts paid to employees.
- W-2s were not issued for all Township employees in 2012, 2013, 2014, and 2015.
- The Township did not have a Nepotism Policy for 2012, 2013, 2014, and 2015.
- 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, 2014, and 2015.
- Depository reconciliations of the fund balances to the bank account balances were not presented for review for 48 out of 48 months.

- *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 for 2013, 2014, and 2015. The back side or endorsement side of the checks was not returned.*
- *Payments in 2012 and one Township Assistance payment in 2014 were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Records were not retained for 2012 resulting in no supporting documentation.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *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, 2014, and 2015.*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, and 2015.*

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 18, 2016, with Kevin L. Barrett, Trustee. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner