



STATE OF INDIANA
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B47225

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November 21, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Black Township (Township), for the period of January 1, 2014 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.

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


- *Depository reconciliations of the ledger balance to the bank account balances were not accurately presented for 17 months during the review period. There were numerous adjustments made to the bank reconciliation in the form of transfers between bank accounts and checks listed as outstanding that were actually written in the subsequent month. Due to a lack of accurate reconciliations, as of December 31, 2015, the bank account reconciliation identified cash short in the amount of \$651.16.*
- *The Payroll Deduction Fund had an overdrawn cash balance of \$653.90 at December 31, 2015.*
- *Compensation was paid to Township Board members in advance of the actual date the services were provided. The Board members were paid their entire annual salary at the end of June of each year rather than December 31 when the services were complete.*

Michael Russell, Township Board member, resigned on August 31, 2015. On June 26, 2015, he was paid his entire 2015 annual salary of \$825. The Trustee realized that he received pay for \$300 from September 1 to December 31, 2015, without serving as a Board member. The Trustee sent a letter to Mr. Russell on December 9, 2015, requesting reimbursement to the Township totaling \$300. Mr. Russell reimbursed the Township, by check, for compensation paid in advance on January 13, 2016, totaling \$300.

- *The Township did not have the required meeting to review and adopt the Annual Financial Report (AFR) in accordance with Indiana Code 36-6-6-9 for 2015.*
- *Part-time employees of the Township were paid without the Township withholding federal, state, and local taxes.*
- *The wages reported on the W-2s issued for 2014 and 2015 did not agree with the actual amounts paid to employees.*
- *W-2s were not issued for all Township employees.*
- *Payments made for cleaning services were not supported by a written contract.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. Four part-time employees were omitted from the report and compensation reported for various other full-time employees was inaccurate. During 2014 and 2015, compensation was underreported for various employees from \$100 to \$2,950.*
- *During the years 2014 and 2015, the Township paid a total of \$39,037.81 to various community service organizations, schools, and vendors from the Township Assistance Fund. No documentation was provided for review that identified actual recipients that benefitted from these disbursements.*
- *The AFR was not published in accordance with Indiana Code 36-6-4-13 for 2015.*
- *The Trustee did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2014 or 2015.*
- *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, 2014 or 2015.*
- *The AFR for 2015 was not filed electronically until March 23, 2016. This was 22 days past the March 1 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 September 22, 2016, with Cindy Middleton, Trustee, and Kay Kilgore, Secretary to the Board. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner