



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44653

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 6, 2017

TO: THE OFFICIALS OF CENTER TOWNSHIP, VANDERBURGH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Center 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 following funds incurred deficit cash balances at year end December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2010	Payroll Withholding	\$ 4,969.32
2010	Loan and Interest	955.54
2011	Payroll Withholding	8,647.94
2011	Loan and Interest	955.54
2012	Payroll Withholding	76,751.16
2012	Loan and Interest	955.54
2013	Payroll Withholding	75,527.07
2013	Loan and Interest	955.54

The Township did not reconcile the Payroll Withholding fund on a regular basis and as a result, deficit cash balances occurred without corrective action being taken.

Gary L. Burdsall, Trustee, determined that the increase in deficit cash balances were primarily the result of federal tax and insurance payroll withholdings being remitted from the Payroll Withholding fund without corresponding transfers being made from other Township funds. The Trustee also stated that correcting transfers would be made in the year 2014 that should eliminate the deficit cash balance.


- The Township remitted penalties and interest to the Internal Revenue Service in the amount of \$3,917.29. The penalties and interest were the result of the Township not remitting payments on a timely basis prior to October 12, 2012.
- Beginning in 2011, 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 records presented for review showed the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Township Assistance	\$ 81,482.40
2012	Cumulative Fire	2,700.79
2013	Cumulative Fire	5,705.91

- All the Township Board members were paid without the Township withholding federal, state, and local taxes in 2010 and 2011. Two Township Board members were paid without the Township withholding federal, state, and local taxes in 2012 and 2013.
- W-2s were not issued for all Township Board members (none for any Board members in 2010 and 2011; and none for two Board members in 2012 and 2013).
- The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete for 2013. The report did not include all employees of the Township.
- Minutes of meetings of the governing body were presented for review; however, the minutes were not signed by the Township Board, and there was no indication of the approval of the minutes by the Township Board.
- 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.
- 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 Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010. The report was filed on May 12, 2011, which is 101 days 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 December 3, 2014, with Gary L. Burdsall, Trustee.


Paul D. Joyce, CPA
State Examiner

Center Township, Vanderburgh County

Gary Burdsall, Trustee

I, Gary Burdsall, became the Center Township Trustee as of Oct. of 2013. The comment contained in the report by the State Board of Accounts took place prior to me taking office. As of Nov. 2013 all the noncompliance guidelines in this report have been corrected.