STATE OF INDIANA
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B44918

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March 13, 2015

TO: THE OFFICIALS OF MORGAN TOWNSHIP, HARRISON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Morgan 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 records presented for review showed disbursements were made from the Riverboat fund in the amounts of $11,315, $10,985, $11,865, and $11,875 for the years 2010, 2011, 2012, and 2013, respectively, without obtaining appropriations approved by the Township Board.*

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for the year 2010, 2011, 2012, or 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.*

- *Payroll taxes were not properly withheld from the Trustee and the Clerk's wages. Instead of withholding the employees' share of the Social Security and Medicare taxes being from employee wages, the Trustee issues a separate check drawn on the business of the Trustee and includes that check with the Township's matching contribution to the IRS.*

- *Payments made for mowing services were not support by a written contract.*

- *W-2s issued for the year 2013 were not presented for review.*

- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*

- *The Trustee was not properly bonded for the years 2010 through 2013. The Trustee's bond was set at $15,000, which was below the minimum amount of $30,000 required by statute.*

- *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 December 31, 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 December 31, 2013.*

- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (100-R or its equivalent) with the Indiana State Board of Accounts for 2010. The report was filed on May 2, 2011, which is 91 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 June 17, 2014, with Fred Uhl, Trustee.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner