



STATE OF INDIANA
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B47444

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December 30, 2016

TO: THE OFFICIALS OF RILEY TOWNSHIP, VIGO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Riley 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.

Current Period Comments

- *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 and 2015. The reports were filed on February 27, 2013, and June 21, 2016, 27 days and 141 days past the due date.*
- *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 in 2015. The back side or endorsement side of the checks was not returned.*
- *The Annual Financial Report (AFR) filed for 2012, 2013, 2014, and 2015 did not match the Township's records as shown below:*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2012	Township Assistance	Receipt	\$ 9,547.65	\$ 10,724.65	\$ 1,177.00
2012	Township Assistance	Disb	6,786.57	7,963.57	1,177.00
2012	Payroll Withholding	Beg Bal	-	4,115.84	4,115.84
2012	Payroll Withholding	Receipt	-	2,678.82	2,678.82

Years	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2012	Payroll Withholding	Disb	\$ -	\$ 1,266.91	\$ 1,266.91
2012	Payroll Withholding	End Bal	-	5,410.85	5,410.85
2013	Township	Receipt	29,826.64	39,744.95	9,918.31
2013	Township	Disb	28,837.80	38,756.11	9,918.31
2013	Township Assistance	Receipt	14,406.40	14,406.36	(0.04)
2013	Township Assistance	Disb	5,843.45	5,818.38	(25.07)
2013	Payroll Withholding	Beg Bal	-	4,856.90	4,856.90
2013	Payroll Withholding	Receipt	-	2,992.37	2,992.37
2013	Payroll Withholding	Disb	-	4,072.04	4,072.04
2013	Payroll Withholding	End Bal	-	4,346.22	4,346.22
2014	Township	Receipt	33,561.73	33,531.85	(29.88)
2014	Township	Disb	29,437.37	37,944.30	8506.93
2014	Township	End Bal	12,250.31	12,026.07	(224.24)
2014	Township Assistance	Receipt	13,304.45	7,188.48	(6,115.97)
2014	Township Assistance	Disb	20,209.12	19,985.02	(224.10)
2014	Township Assistance	End Bal	16,416.22	10,524.85	(5,891.37)
2014	Payroll Withholding	Beg Bal	-	3,187.90	3,187.90
2014	Payroll Withholding	Receipt	-	4,587.84	4,587.84
2014	Payroll Withholding	Disb	-	6,160.55	6,160.55
2014	Payroll Withholding	End Bal	-	1,806.13	1,806.13
2015	Township	Beg Bal	12,250.31	16,036.38	3,786.07
2015	Township	Receipt	32,828.51	32,768.43	(60.08)
2015	Township	Disb	24,080.78	23,183.64	(897.14)
2015	Township	End Bal	20,998.04	27,131.21	6,133.17
2015	Township Assistance	Beg Bal	16,416.22	10,364.75	(6,051.47)
2015	Township Assistance	Receipt	5.21	5.22	0.01
2015	Township Assistance	Disb	5,596.78	4,440.06	(1,156.72)
2015	Township Assistance	End Bal	10,824.65	6,050.09	(4,774.56)
2015	Rainy Day	Beg Bal	1,716.00	-	(1,716.00)
2015	Rainy Day	End Bal	1,716.00	-	(1,716.00)

- Receipts were deposited later than the first and fifteenth of the month. Receipts were deposited up to 265 days in 2012 and 571 days in 2013 after receiving.
- The Trustee was not properly bonded for 2012, 2013, 2014, and 2015. The Official purchased the bond in 2012, 2013, 2014, and 2015, however, did not record in the County Recorder's office as required by Indiana Code.
- Each elected board 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.
- The Township did not have a Contracting Policy for 2012, 2013, 2014, and 2015.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 6-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.
- The AFR for 2015 was not filed electronically until April 20, 2016, which was 50 days past the due date.
- Payments made for mowing were not supported by a written contract for 2015.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2015 100-R stated the Trustee's total compensation was \$8,187, but the Trustee actually was paid \$8,006.36 in 2015.
- A payment made in January 2012 was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.


- *Township Assistance payments were made in 2012 and 2015 without an Application for Township Assistance on file.*
- *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	\$ 6,703.33
2013	Township	12,106.11
2014	Township	11,094.30
2014	Township Assistance	6,160.65

- *The Township Board did not fix the salaries of all officials and employees for 2012, 2013, 2014, and 2015.*
- *Compensation paid to employees was not in accordance with the budgeted amounts for 2012, 2013, and 2014.*
- *The wages reported on the W-2s issued for 2013, 2014, and 2015 did not agree with the actual amounts paid to employees.*

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 October 25, 2016, with Mike J. Roberts, Trustee. Any Official Response attached to this letter was not verified for accuracy.


 Paul D. Joyce, CPA
 State Examiner