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January 20, 2017

TO: THE OFFICIALS OF BEAVER TOWNSHIP, PULASKI COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Beaver Township (Township), for the period of January 1, 2011 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 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/](http://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.

***Unresolved Comments from Prior Report***

- *Depository reconciliations of the fund balances to the bank account balances were conducted at year-end for 2011, 2012, and 2013. The reconciled bank balance consistently exceeded the ledger balance by \$841.42.*
- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2014 and 2015.*
- *Receipts were deposited later than the first and the fifteenth of the month. Deposits were up to 241 days after the check was issued from the county.*

***Current Period Comments***


- *The Annual Financial Report (AFR) filed on Gateway for 2011 and 2013 did not match the Township's records:*

Years	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2011	Township	Disbursements	\$ -	\$ 18,636.97	\$ (18,636.97)
2011	Township Assistance	Disbursements	-	262.00	(262.00)
2011	Township	Ending Balance	82,842.99	64,206.02	18,636.97
2011	Township Assistance	Ending Balance	7,727.50	7,465.50	262.00
2013	Township	Receipts	16,257.54	21,355.19	(5,097.65)
2013	Township Assistance	Receipts	14.28	60.14	(45.86)
2013	Firefighting	Receipts	7,355.14	6,014.28	1,340.86
2013	Township	Ending Balance	60,072.63	65,170.28	(5,097.65)
2013	Township Assistance	Ending Balance	5,811.46	5,857.32	(45.86)
2013	Firefighting	Ending Balance	27,651.61	26,310.75	1,340.86

- Receipts were not issued when money was collected.
- The manual ledgers contained numerous mathematical errors.
- The total all funds columns including receipts, disbursements, and cash and investment balances in the Ledger (Control) did not agree to the calculated sum of the individual funds' receipts, disbursements, and cash and investment balances (Detail).
- Interest earned on investments was automatically added to the investment instead of being paid to the Township at each maturity date, and was not recorded in the ledgers as earned.
- In 2014, the Township Board did not fix the salaries, wages, and hourly rates of Township officers and employees.
- W-2s for 2013 and 2015 were not presented.
- State and local income taxes were not withheld from the compensation paid to the Trustee, Township Clerk, and Township Board members.
- Two payments for 2014 and 2015 were observed which did not contain adequate supporting documentation relating to Township Assistance totaling \$400 and \$261, respectively.
- Township Assistance applications were not presented for 2014 and 2015.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 report stated the Township Clerk's total compensation as \$750, but the Township Clerk was actually paid \$720.

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 31, 2016, with Gerald Kruger, Trustee.

  
Paul D. Joyce, CPA  
State Examiner