



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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May 30, 2014

TO: THE OFFICIALS OF LINCOLN TOWNSHIP, NEWTON COUNTY, INDIANA

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

Unresolved Comment From Prior Reports

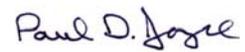
- *Funds received as part of the "Good Neighbor Agreement" entered into on April 16, 2001, with the Newton County Landfill Partnership and Newton County, are used for various projects, including donations to various civic groups, and student scholarships. Most of the donations and scholarships provided were not based upon a reciprocal agreement to address a benefit to be received by the township in exchange for the monetary gift to the beneficiary. A letter dated May 9, 2001, from the General Manager of the Newton County Landfill Partnership stated, "These funds will not be appropriated or controlled by anyone other than your board, and will enable the Township to fund important projects for which funding has not been available in the past." A similar comment has been noted in the prior three Reports, B37635, B31896, and B28537.*

Current Period Comments

- *Payments were made to the volunteer fire department, which were not addressed in a written contract.*
- *The Township adopted an employment nepotism policy in 2012, and a contracting nepotism policy in 2013; however, each elected officer (trustee and board members) did not certify in writing that the officer had not violated Indiana Code 36-1-21 by December 31, 2012 and 2013.*

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 April 16, 2014, with Sharyn E. Harvey, Trustee, and Grace Hanley, Township Advisory Board Chairperson.



Paul D. Joyce, CPA
State Examiner