



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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June 2, 2014

TO: THE OFFICIALS OF CAIN TOWNSHIP, FOUNTAIN COUNTY, INDIANA

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

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation at December 31, 2013, contained an error. The outstanding check list was incomplete.*
- *The Annual Financial Reports filed on Gateway for 2012 and 2013 contained errors in the beginning and ending balances and did not properly reflect the financial activity of the Township. In 2012, the beginning balances were all doubled in error and this difference carried forward into the ending balance of 2012 and the beginning and ending balances of 2013.*

Years	Fund	(Beg Bal, Receipt, Disb, End Bal)	Amount per	Amount Per	Difference
		Category	Gateway	Township Ledger	
2012	Township	Beg Bal	\$ 3,874.02	\$ 1,937.01	\$(1,937.01)
2012	Township Assistance	Beg Bal	781.40	390.70	(390.70)
2012	Fire Fighting	Beg Bal	35.00	17.50	(17.50)
2012	Cumulative Fire	Beg Bal	63,292.88	31,646.44	(31,646.44)
2012	Rainy Day	Beg Bal	7.00	3.50	(3.50)
2012	Park & Recreation	Beg Bal	462.74	231.37	(231.37)
2012	Levy Excess	Beg Bal	292.58	146.29	(146.29)
2012	Cemetery	Beg Bal	3,435.68	1,717.84	(1,717.84)
2012	Township	End Bal	4,552.12	2,615.11	(1,937.01)
2012	Township Assistance	End Bal	1,239.37	848.67	(390.70)
2012	Fire Fighting	End Bal	206.97	189.47	(17.50)
2012	Cumulative Fire	End Bal	65,398.17	33,751.73	(31,646.44)
2012	Rainy Day	End Bal	7.00	3.50	(3.50)
2012	Park & Recreation	End Bal	231.37	-	(231.37)
2012	Levy Excess	End Bal	391.82	245.53	(146.29)
2012	Cemetery	End Bal	1,935.68	217.84	(1,717.84)
2013	Township	Beg Bal	4,552.12	2,615.11	(1,937.01)
2013	Township Assistance	Beg Bal	1,239.37	848.67	(390.70)
2013	Fire Fighting	Beg Bal	206.97	189.47	(17.50)
2013	Cumulative Fire	Beg Bal	65,398.17	33,751.73	(31,646.44)
2013	Rainy Day	Beg Bal	7.00	3.50	(3.50)
2013	Park & Recreation	Beg Bal	231.37	-	(231.37)
2013	Levy Excess	Beg Bal	391.82	245.53	(146.29)
2013	Cemetery	Beg Bal	1,935.68	217.84	(1,717.84)
2013	Township	End Bal	3,667.16	1,730.15	(1,937.01)
2013	Township Assistance	End Bal	2,026.80	1,636.10	(390.70)
2013	Fire Fighting	End Bal	227.35	209.85	(17.50)
2013	Cumulative Fire	End Bal	73,967.26	42,320.82	(31,646.44)
2013	Rainy Day	End Bal	7.00	3.50	(3.50)
2013	Park & Recreation	End Bal	231.37	-	(231.37)
2013	Levy Excess	End Bal	391.82	245.53	(146.29)
2013	Cemetery	End Bal	1,717.84	-	(1,717.84)

- *The records presented for examination indicated disbursements in excess of budgeted appropriations. It appears the unit went over budget in order to pay the Fire contract, and there were no records of an additional appropriation in 2011 presented for examination.*

Year	Fund	Excess Amount Disbursed
2011	Township	\$ 282.07
2011	Fire Fighting	518.00

- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5.*
- *The Township did not have a Nepotism Policy for 2012 or 2013.*
- *The Township did not have a Contracting Policy for 2012 or 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 24, 2014, with Sharon Foster, Trustee.


Paul D. Joyce, CPA
State Examiner