



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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June 16, 2014

TO: THE OFFICIALS OF LEXINGTON TOWNSHIP, SCOTT COUNTY, INDIANA

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

### **Current Period Comments**

- *Formal depository reconciliations of the fund balances to the bank account balances were not presented for examination for the years 2011, 2012, and 2013. A check mark was placed in the ledger to indicate that a reconciliation was performed; however information was not documented as to how the reconciliation was performed such as a list of the outstanding checks and deposits in transit.*
- *The bank depository account balance did not reconcile with the record balance at December 31, 2012. The balance for the depository was \$964.62 more than the record balance. Outstanding checks or deposits in transits that comprised the difference could not be readily identified. A reconciliation was performed for December 31, 2013, and the difference noted in the prior year had been corrected.*

- *The records presented for examination indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Township General	\$ 1,349
2013	Township Assistance	2,683

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for the years 2012 and 2013.*
- *Invoices supporting disbursements made did not have information documenting the date of payment and the check number issued in order to be able to readily match the checks issued with the corresponding supporting documentation for the years 2011, 2012, and 2013.*
- *Township standards for Township Assistance were not presented for examination.*
- *The Township did not have the required meeting to review and adopt the annual report in accordance with Indiana Code 36-6-6-9 for the years 2010, 2011, 2012, and 2013.*
- *The Trustee's Surety Bond was insufficient per the Indiana Code for the years 2011 through 2014. The bond was in the amount of \$15,000. The minimum bond amount by statute is \$30,000.*
- *Information was not presented for examination indicating the Annual Report was published in accordance with Indiana Code 36-6-4-13 for the years 2010, 2011, 2012, and 2013.*
- *The Township did not have a Nepotism Policy for the year 2012.*
- *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 2013.*
- *The Township did not have a Contracting Policy for the years 2012 and 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 2013.*
- *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 the years 2010 and 2011. The report for 2010 was filed on February 16, 2011, which is 16 days past the due date. The report for 2011 was filed on March 7, 2012, which is 36 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 April 17, 2014, with Danny Basham, Trustee, and on May 12, 2014, with Terry A. Barnes, former Trustee, and Freddie Mace, Chairman of the Township Board.

  
 Paul D. Joyce, CPA  
 State Examiner