



STATE OF INDIANA
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July 18, 2014

TO: THE OFFICIALS OF TAYLOR TOWNSHIP, HOWARD COUNTY, INDIANA

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

- For 2011, the Payroll Withholding fund transactions as presented in the ledger did not agree with the amounts reported in the Gateway system. The Payroll Withholdings fund ledger balance at December 31, 2011, as examined was \$1,510.10 and the balance as reported in Gateway was \$1,145.30 for a difference of \$364.80.


Current Period Comments

- The Township did not present Applications for Township Assistance for review for the years of 2011 through 2013, inclusive. Therefore, we were unable to verify some of the financial activity of the Township.
- The Township makes payments to individuals annually in excess of \$600 for rent, mowing, and cleaning. There was no evidence presented for review that such payments were properly reported to the Internal Revenue Service for the years of 2011 through 2013, inclusive, on Form 1099 as required.

- During 2012, the Township approved Resolution 2: "to move \$45,000 from Fire (Fighting) to the Rainy Day Fund to be used for Cum Fire or Township relief" as stated in its Advisory Board minutes. A transfer was made during the year from the Fire Fighting fund in the amount of \$84,207 with \$21,036 being transferred directly into the Cumulative Fire fund and \$63,171 being transferred directly into the Township Assistance fund. The resolution document was not presented for review. The transfer was not properly made to the Rainy Day fund as indicated in the Board minutes with the Rainy Day fund being appropriated as required. A similar Resolution numbered 12011-2 was presented for review for the year 2011. However, there was no subsequent transfer to the Rainy Day fund.
- Records presented for review indicated the expenditures of the Fire Fighting and Cumulative Fire funds were in excess of budgeted appropriations for 2011 in the amounts of \$3,943 and \$76,857 respectively. Additionally, the Fire Fighting fund expenditures for 2012 exceeded budgeted appropriations by \$5,675.

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 May 19, 2014, with Dianne Kuntz, Trustee, and Jerry Wooldridge, President of the Board.


Paul D. Joyce, CPA
State Examiner