



# STATE OF INDIANA

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B44007

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August 5, 2014

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

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

## ***Unresolved Comments From Prior Report***

- *Minutes of meetings of the governing board were not presented for review.*
- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for all 48 months of the review period. Reconciliations were not presented because they were not performed. As of December 31, 2013, the bank account reconciliation identified a cash short in the amount of \$2,209.95.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations as shown in the table below:*

<u>Years</u>	<u>Fund</u>	<u>Disbursed</u>
2010	Township	\$ 706.17
2010	Township Assistance	2,304.59
2010	Fire Fighting	36.00
2011	Township Assistance	6,040.22
2012	Township	295.46

- The Township paid penalties, interest, and other charges in 2012 to the United States Treasury because the Township did not remit payments on a timely basis.
- Payments made for mowing were not supported by a written contract.

#### **Current Period Comments**


- The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.
- The Annual Financial Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township as shown in the table below:

<u>Years</u>	<u>Fund</u>	(Beginning Balance, Receipts, Disbursements, End Balance) Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2011	Township	Receipts	\$ 25,771.68	\$ 27,383.80	\$ (1,612.12)
2011	Township	Disbursements	23,157.91	8,079.91	15,078.00
2011	Township Assistance	Disbursements	34,372.00	31,451.22	2,920.78
2012	Township	Receipts	23,151.65	15,555.19	7,596.46
2013	Township Assistance	Receipts	41,435.06	42,805.45	(1,370.39)
2013	Township	Disbursements	19,613.01	25,484.57	(5,871.56)
2013	Township	Ending Balance	66,260.48	66,973.80	(713.32)
2013	Township Assistance	Ending Balance	37,810.56	39,306.35	(1,495.79)
2013	Payroll Withholding	Ending Balance	46.42	577.42	(531.00)

- The Township did not adopt a resolution establishing salaries of Township officers and employees.
- Board members of the Township were paid without the Township withholding federal taxes.
- W-2's were not issued for Board members.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete. The report did not include all employees of the Township.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.

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 20, 2014, with Freeman Lanum, Trustee.

  
Paul D. Joyce, CPA  
State Examiner