



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44259

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October 2, 2014

TO: THE OFFICIALS OF WATERLOO TOWNSHIP, FAYETTE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Waterloo Township (Township), for the period of January 1, 2011 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

- *The Township fund had an overdrawn fund balance of \$367 at December 31, 2011.*

Current Period Comments

- *The financial institution did not return the actual cancelled checks or an optical image of the checks with the monthly bank statements.*
- *The Township ledger contained errors and did not agree to the Annual Financial Report filed on Gateway for 2012.*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Township	Receipts	\$ 7,356	\$ 6,911	\$ 445
2012	Township	Disbursements	4,963	4,381	582

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	\$ 852
2013	Township	2,109
2013	Fire Fighting	1,730

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, or 2013.*
- *Township Board members were paid without the Township withholding payroll taxes.*
- *The 2012 and 2013 Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) were inaccurate. The reports stated the total budgeted compensation instead of the amount actually paid to the employees.*
- *The Township paid penalties, interest, and other charges to the Internal Revenue Service in the amount of \$63.72 for 2010 because the Township did not remit payments on a timely basis.*
- *Each elected officer did not certify in writing that the officers had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, and December 31, 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 December 31, 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 June 18, 2014, with Norman A. Duffy, Trustee.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner