



STATE OF INDIANA
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B44269

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October 2, 2014

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

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

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for 36 months during the review period. There was no evidence that bank reconciliations were performed.*
- *As of December 31, 2013, the bank account reconciliation identified a cash shortage in the amount of \$772.50. The amount was determined to be a Trustee payroll check that was not posted to the Township ledger.*
- *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.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Fire Fighting	Disbursements	\$ 3,600.00	\$ -	\$ 3,600.00
2011	Fire Fighting	Ending balance	1,775.04	5,375.04	(3,600.00)
2012	Fire Fighting	Beginning balance	1,775.04	5,375.04	(3,600.00)
2012	Fire Fighting	Disbursements	3,600.00	7,200.00	(3,600.00)
2012	Township	Receipts	7,563.19	7,678.19	(115.00)
2012	Township	Ending balance	834.94	949.94	(115.00)
2012	Township	Beginning balance	834.94	949.94	(115.00)
2013	Township	Disbursements	7,173.28	6,759.39	413.89
2013	Township	Ending balance	1,514.52	2,043.41	(528.89)
2013	Fire Fighting	Disbursements	3,600.00	-	3,600.00
2013	Fire Fighting	Ending balance	1,112.11	4,712.11	(3,600.00)


- 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>
2011	Township	\$ 7,130
2011	Township Assistance	1,822
2012	Fire Fighting	4,387
2013	Township Assistance	150

- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, or 2013.
- Employees of the Township were paid without the Township withholding payroll taxes.
- W-2s were not issued for all Township employees.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete for 2012. The report did not include Board members of the Township.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for 2012 and 2013. The Form 100-R filed for 2012 and 2013 stated the Trustee's total compensation was \$3,600, but the Trustee actually was paid \$3,800 in both 2012 and 2013.
- Three payments were observed which did not contain adequate supporting documentation. In 2011 and 2012, payments were made to Columbia Community Building in the amount of \$1,000 with no supporting documentation. In 2013 a payment was made to Columbia Community Building in the amount of \$500 without adequate supporting documentation.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by 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, 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 2011 or 2012. The reports were filed on April 24, 2012, and June 25, 2013, which are 84 and 145 days, respectively, 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 June 18, 2014, with Addie R. Mustin, Trustee.


Paul D. Joyce, CPA
State Examiner