



**STATE OF INDIANA**  
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B44317

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October 16, 2014

TO: THE OFFICIALS OF DEWEY TOWNSHIP, LAPORTE COUNTY, INDIANA

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

- *The Trustee donated Township funds to local organizations. The Trustee paid \$1,228.25, \$1,100, and \$850 in the years 2011, 2012, and 2013, respectively, to an individual on behalf of a 4-H club.*

***Current Period Comments***

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance at December 31, 2011. The reconciled bank balance exceeded the ledger balance by \$1,455.18.*
- *As of May 31, 2014, financial transactions of the Township have not been recorded in the ledger nor has the bank account been reconciled after February 2014.*
- *The Annual Financial Report filed on Gateway for 2011 and 2012 contained errors and did not properly reflect the financial activity of the Township as follows:*


<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Total School funds	Beginning Balance	\$ 495,255.94	\$ 496,515.71	\$ (1,259.77)
2011	Park and Recreation	Beginning Balance	14,869.53	14,715.53	154.00
2011	Total School funds	Receipts	-	97,019.51	(97,019.51)
2011	Payroll Withholding	Receipts	-	3,606.10	(3,606.10)
2011	Total School funds	Disbursements	-	620,892.31	(620,892.31)
2011	Payroll Withholding	Disbursements	-	2,135.90	(2,135.90)
2011	Total School funds	Ending Balance	495,255.94	(27,357.09)	522,613.03
2011	Payroll Withholding	Ending Balance	-	1,470.20	(1,470.20)
2011	Park and Recreation	Ending Balance	15,497.51	15,343.51	154.00
2012	Total School funds	Beginning Balance	495,255.94	(27,357.09)	522,613.03
2012	Payroll Withholding	Beginning Balance	-	1,470.20	(1,470.20)
2012	Total School funds	Receipts	-	27,357.09	(27,357.09)
2012	Payroll Withholding	Receipts	-	3,660.00	(3,660.00)
2012	Payroll Withholding	Disbursements	-	2,970.20	(2,970.20)
2012	Total School funds	Ending Balance	495,255.94	-	495,255.94
2012	Payroll Withholding	Ending Balance	-	2,160.00	(2,160.00)
2013	Township	Beginning Balance	35,829.47	34,374.29	1,455.18
2013	Payroll Withholding	Beginning Balance	-	2,160.00	(2,160.00)
2013	Payroll Withholding	Receipts	-	2,988.00	(2,988.00)
2013	Township	Disbursements	51,384.37	49,929.19	1,455.18
2013	Payroll Withholding	Disbursements	-	4,782.60	(4,782.60)
2013	Payroll Withholding	Ending Balance	-	365.40	(365.40)

- As of December 31, 2013, the Cumulative Fire fund had a deficit cash balance of \$461.25.
- The Township did not adopt a resolution establishing salaries of Township officers and employees.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2011 and 2012 100-R's stated the Trustee's total compensation was \$11,000 each year (the budgeted amount), but the Trustee was paid \$9,900 and \$10,000 in 2011 and 2012, respectively, for Trustee services. The 100-R and the W-2 did not report amounts paid to the trustee for mowing and maintenance services at the park.
- The Form 1099-R issued to the Trustee in 2011 for mowing under reported the amount he received for providing the service by \$370.
- In 2012, a W-2 was not issued to one of the Board members who had the Township pay for vehicle repairs in lieu of receiving his Board member compensation (\$800). Additionally, one Board member did not receive a W-2, as he requested that his salary be donated to a not-for-profit.
- Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. This included repairs to a vehicle for a Board member in lieu of his compensation totaling \$800, and invoices for gas and electric services totaling \$7,116.30.
- Payments made for fire protection were not supported by a written contract.
- The Township did not have the required meeting to review and adopt the Annual Financial Report in accordance with Indiana Code 36-6-6-9 for 2011 until April 9, 2012.
- The Annual Financial Report was not published in accordance with Indiana Code 36-6-4-13 for 2011, 2012, and 2013.
- The Township did not have a Nepotism Policy for 2012 or 2013.

- *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 2012 or 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 Annual Financial Report for 2011 was not filed electronically until May 3, 2012, which was 64 days past the due date.*
- *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 2012. The report was filed on April 16, 2013, which was 75 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 August 27, 2014, with Dick E. Bucher, Trustee. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner