



STATE OF INDIANA
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B44429

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November 7, 2014

TO: THE OFFICIALS OF LAUGHERY TOWNSHIP, RIPLEY COUNTY, INDIANA

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

- *As reported in the prior report, the Township did not adopt a resolution establishing salaries of Township officers and employees. Resolutions establishing salaries of Township officers and employees were not presented for review for 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.*

Current Period Comments

- *Investment amounts were reported on the Annual Financial Report; however, they were not recorded on the ledger as of December 31, of the following years:*

<u>Years</u>	<u>Amount</u>
2010	\$ 102,017.88
2011	60,000.00
2012	40,000.00
2013	20,000.00

- The following funds had overdrawn cash balances on the Financial and Appropriation Record (Ledger) at December 31. The following also shows fund investments on hand at December 31 which are not included on the Ledger:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn Per Ledger</u>	<u>Investment Balance</u>	<u>Total Cash and Investment Balance</u>
2010	Township	\$ (36,369.68)	\$ 80,000.00	\$ 43,630.32
2011	Township	(39,889.91)	60,000.00	20,110.09
2012	Township	(33,277.50)	40,000.00	6,722.50
2013	Township	(22,880.52)	20,000.00	(2,880.52)
2013	Township Assistance	(11,289.74)	-	(11,289.74)

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

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2013	Township	\$ 5,038.97
2013	Township Assistance	18,925.22

- Receipts for the County Adjusted Gross Income Tax-Certified Shares (CAGIT) for the years 2010, 2011, 2012, and 2013 were not properly recorded to the Township Ledger. According to approved budget information the following errors were noted:
 - For the year 2010, all of the CAGIT distributions were to be receipted into the Township Assistance fund. However, three monthly CAGIT distributions for the year 2010 were receipted into the Township fund and three monthly CAGIT distributions were receipted to the Firefighting fund.
 - For the year 2011, all of the CAGIT distributions were to be receipted into the Township Assistance fund. However, nine of the monthly CAGIT distributions were receipted into the Township fund.
 - For the year 2012, all of the CAGIT distributions were to be receipted into the Township Assistance fund. However, all of the monthly CAGIT distributions were receipted into the Township fund.
 - For the year 2013, all of the CAGIT distributions were to be receipted into the Township Assistance fund. However, six monthly CAGIT distributions were receipted into the Township fund.

- *County Tax Distribution Form 22 for the June 2010 Tax Distributions showed \$5,261.82 for the Township Assistance fund; \$8,415.48 for the Firefighting fund; and \$252.47 for the Recreation fund. However, the total June 2010 Tax Distribution of \$13,929.77 was receipt into the Township Assistance fund. County Tax Distribution Form 22 for December 2010 showed \$5,161.98 for the Firefighting fund; \$3,140.25 for the Township Assistance fund and \$154.87 for the Recreation fund; however, of the total December 2010 Tax Distribution of \$3,000 was receipted to the Township fund and \$5,457.10 to the Township Assistance fund.*
- *Payments made for cemetery mowing in 2010 were not supported by a written contract.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 100-R stated the Trustee's total compensation was \$15,000, but the Trustee actually was paid \$9,000 in 2012.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for the entire review period.*
- *The Township did not have the required meeting to review and adopt the Annual Report in accordance with Indiana Code 36-6-6-9 for 2010, 2012, and 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 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.*
- *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 2010. The report was filed on May 16, 2011, which is 105 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 Sandra Nobbe, former Trustee, and Harold Ellinhausen, Trustee.

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