



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44498

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

November 21, 2014

TO: THE OFFICIALS OF THE LAWRENCEBURG TOWNSHIP, DEARORN COUNTY, INDIANA

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

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for all months of 2010, 2011, and 2012.*
- *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 for some of the months in 2010, 2011, and 2013. The back side or endorsement side of the checks was not returned for those months.*
- *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 Assistance	\$ 3,792.96
2011	Firefighting	7,612.00
2012	Township Assistance	5,420.26
2012	Firefighting	10,853.00

- The following shows transfers of funds that were made in 2011 and 2012. No resolutions passed by the Township Board were presented for review. Also, no notations of authorization to transfer the funds were noted in the Township Board minutes.

<u>Years</u>	<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
2011	Township	Rainy Day	\$ 2,500.00
2011	Township	Firefighting	2,500.00
2012	Township	Township Assistance	750.00
2012	Rainy Day	Township Assistance	5,500.00
2012	Rainy Day	Township	912.52

- Resolutions establishing salaries of Township officers and employees were not presented for review for 2010, 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.
- On November 9, 2013, the Township Board members were paid their annual compensation of \$2,077.86 in advance of the actual date the services were provided.
- The Township Board members were paid in 2010 and 2011 without the Township withholding any applicable federal, state, and local taxes.
- W-2s were not presented for all Township officials and employees for 2010, 2011, and 2012.
- Payments made for cemetery mowing for 2010, 2011, 2012, and 2013 were not supported by a written contract.
- Seven payments from the years 2011, 2012, and 2013 totaling \$501.85 were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.
- Applications for Township Assistance for the year 2010 were not retained and made available for review.
- The Township did not hold a reorganizational meeting to elect a chairman and secretary in accordance with Indiana Code 36-6-6-7 for 2013.
- 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 2012 and 2013.
- The Township did not have a Nepotism Policy for 2012.

- *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. The Township Trustee 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.*
- *The Township did not have a Contracting With a Unit Policy for 2012 and 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 Annual Report for 2011 was not filed electronically until April 26, 2012, which was 86 days past due.*
- *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 and 2011. The report was filed on May 19, 2011, and February 23, 2012, which was 108 and 23 days past the due date, respectively.*

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 October 1, 2014, with Jerome Gilb, Trustee, and on October 7, 2014, with James R. Hamill, former Trustee.

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