



**STATE OF INDIANA**  
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B47086

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October 27, 2016

TO: THE OFFICIALS OF LOST CREEK TOWNSHIP, VIGO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Lost Creek Township (Township), for the period of January 1, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States of America. 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 Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifonline.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 conducted; however, the reconciliation contained errors or did not balance in 2012 and 2014. The difference in bank account balance to the fund balance was posting errors.*
- *The Annual Financial Report (AFR) for 2012, 2014, and 2015 did not match the Township's records as shown below:*

Years	Fund	Category	Amount Per AFR	Amount Per Township Ledger	Difference
2012	Township	Disb	\$ 102,847.82	\$ 99,949.47	\$ (2,898.35)
2012	Township	End Bal	289,481.45	292,379.80	2,898.35
2012	Payroll Withholding	Receipt	12,485.86	9,544.55	(2,941.31)
2012	Payroll Withholding	End Bal	-	(2,941.31)	(2,941.31)
2014	Township	Disb	110,834.63	108,592.08	(2,242.55)
2014	Township	End Bal	267,099.53	269,342.08	2,242.55
2014	Township Assistance	Disb	20,094.84	20,208.84	114.00
2014	Township Assistance	End Bal	46,649.05	46,535.05	(114.00)

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per</u> <u>AFR</u>	<u>Amount Per</u> <u>Township Ledger</u>	<u>Difference</u>
2014	Payroll Withholding	Receipt	\$ 15,389.72	\$ 13,158.12	\$ (2,231.60)
2014	Payroll Withholding	End Bal	-	(2,231.60)	(2,231.60)
2015	Township	Disb	119,749.19	118,670.99	(1,078.20)
2015	Township	End Bal	252,011.57	253,089.77	1,078.20
2015	Payroll Withholding	Receipt	13,996.32	12,876.91	(1,119.41)
2015	Payroll Withholding	Disb	13,996.32	15,800.04	1,803.72
2015	Payroll Withholding	End Bal	-	(1,078.20)	(1,078.20)

- *Receipts were deposited later than the first and fifteenth of the month. Receipts were deposited up to 27 days late in 2012 and 4 days late in 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, 2013, 2014, and 2015.*
- *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, 2013, 2014, and 2015.*
- *Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records in 2012 and 2013, totaling \$906.85.*

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 September 12, 2016, with Rick Long, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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