



**STATE OF INDIANA**  
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B47450

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December 30, 2016

TO: THE OFFICIALS OF BAUGO TOWNSHIP, ELKHART COUNTY, INDIANA

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

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**

- *The Annual Financial Reports (AFR) filed on Gateway for 2012 did not match the financial activity of the Township.*

Year	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2012	Township	Beginning Balance	\$ 153,748	\$ 354,295	\$ (200,547)
2012	Township	Receipts	99,881	423,956	(324,075)
2012	Township	Disbursements	101,681	411,376	(309,695)
2012	Township	Ending Balance	151,948	366,875	(214,927)
2012	Fire Fighting	Beginning Balance	120,178	110,963	9,215
2012	Fire Fighting	Receipts	464,471	755,759	(291,288)
2012	Fire Fighting	Disbursements	495,837	639,938	(144,101)
2012	Fire Fighting	Ending Balance	88,812	226,784	(137,972)
2012	Cumulative FD Building & Equipment	Beginning Balance	500,308	400,389	99,919
2012	Cumulative FD Building & Equipment	Receipts	101,670	198,731	(97,061)
2012	Cumulative FD Building & Equipment	Disbursements	119,491	380,736	(261,245)
2012	Cumulative FD Building & Equipment	Ending Balance	482,488	218,384	264,104

- *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	<i>Fire Fighting</i>	\$ 182,687
2013	<i>Rainy Day</i>	2,090
2013	<i>Cumulative FD Building &amp; Equipment</i>	183,383

- *The following funds had overdrawn cash balances at December 31:*

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2014	<i>Payroll Deductions</i>	\$ 1,524
2015	<i>Payroll Deductions</i>	2,100

- *The Township made payments for community services and recreation that were not supported by written contracts.*
- *Credit card payments made to Cardmember Services were paid by the monthly statements only with no supporting documentation for the purchases included.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) and Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.*

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 November 2, 2016, with Katherine Weaver, Trustee, and Len Paff, Township Board member. Any Official Response attached to this letter was not verified for accuracy.

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