



STATE OF INDIANA
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B46515

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June 27, 2016

TO: THE OFFICIALS OF CASS TOWNSHIP, CLAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Cass 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.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 2012 and 2013.*
- *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. The back side or endorsement side of the checks was not returned.*
- *The Annual Financial Report filed on Gateway for 2012 and 2013 did not match the Township's records.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Township	Beg Bal	\$ 20,001.67	\$ 16,943.51	\$ (3,058.16)
2012	Township	Receipt	8,284.27	8,284.33	0.06
2012	Township	End Bal	21,823.19	18,765.09	(3,058.10)
2012	Township Assistance	Receipt	2,199.93	1,642.49	(557.44)
2012	Township Assistance	Disbursement	3,236.78	287.00	(2,949.78)
2013	Township	Beg Bal	20,736.34	18,765.09	(1,971.25)
2013	Township	Receipt	4,527.62	1,298.67	(3,228.95)
2013	Township	Disbursement	7,519.68	4,183.16	(3,336.52)
2013	Township	End Bal	17,744.28	14,138.28	(3,606.00)
2013	Township Assistance	Receipt	4,527.62	3,487.44	(1,040.18)
2013	Township Assistance	Disbursement	2,282.23	2,800.36	518.03
2013	Township Assistance	End Bal	3,600.88	2,042.68	(1,558.20)

- 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>
2014	Township	\$ 3,334.70
2015	Township	1,338.98

- Receipts were not properly posted to the Township Ledger. A distribution dated July 2013 was not posted in the ledger.
- The Township paid \$25,488 of compensation in advance of the actual date the services were provided.
- Payments made for mowing 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 \$3,360, but the Trustee was actually paid \$2,745.54. The 2013 100-R stated the Trustee's total compensation was \$3,360, but the Trustee was actually paid \$4,513.48.
- Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Four out of ten claims tested did not have proper supporting documentation attached.
- The Township paid penalties, interest, and other charges to Internal Revenue Service in the amount of \$55.42 because the Township did not remit payments on a timely basis.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.
- The bank statements for January, February, March, April, May, June, and July 2012, and July, August, September, and October 2013 were not presented for review. The Trustee obtained a copy of the front page of each missing statement for review.
- The Township did not have a Nepotism Policy for 2012, 2013, 2014, or 2015.
- 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, or 2015.

- *The Township did not have a Contracting Policy for 2012, 2013, 2014, or 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, or 2015.*
- *Nancy Latham, Trustee, received \$1,080 in 2014 for office rent and the approved budgeted amount was \$120. Nancy Latham, Trustee, received \$990 in 2015 for office rent. The 2015 budget was not approved and, therefore, reverted back to the 2014 approved budget amount of \$120. This resulted in an overpayment of office rent of \$960 in 2014 and \$870 in 2015 totaling \$1,830. On April 18, 2016, Nancy Latham, Trustee, reimbursed Cass Township \$1,830.*

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 April 18, 2016, with Nancy Latham, Trustee.


Paul D. Joyce, CPA
State Examiner