



STATE OF INDIANA
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B46516

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June 27, 2016

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

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

- *The Annual Financial Report filed on Gateway for 2012, 2013, 2014, and 2015 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Cumulative Fire	\$ 4,816.27
2013	Fire Fighting	9,292.86
2013	Cumulative Fire	8,904.07


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

<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	\$ 43,131.45	\$ 10,372.00	\$ (32,759.48)
2012	Township	Receipt	13,680.02	24,052.05	10,372.03
2012	Township	End Bal	44,309.99	11,350.51	(32,959.48)
2012	Township Assistance	Beg Bal	26,980.10	6,980.10	(20,000.00)
2012	Township Assistance	Receipt	130.84	7,110.94	6,980.10
2012	Township Assistance	End Bal	26,740.12	6,740.12	(20,000.00)
2012	Fire Fighting	Receipt	21,185.67	31,117.14	9,931.47
2012	Cumulative Fire	Receipt	12,970.45	34,460.00	21,489.55
2013	Township	Beg Bal	44,309.99	23,118.51	(21,191.48)
2013	Township	Receipt	16,296.01	27,846.52	11,550.51
2013	Township	End Bal	48,232.52	23,118.74	(25,113.78)
2013	Township Assistance	Beg Bal	26,740.12	6,740.12	(20,000.00)
2013	Township Assistance	Receipt	45.50	6,785.62	6,740.12
2013	Township Assistance	End Bal	26,385.62	5,893.10	(20,492.52)
2013	Fire Fighting	Receipt	16,175.72	28,292.86	12,117.14
2013	Cumulative Fire	Receipt	9,260.34	23,904.07	14,643.73
2014	Township	Beg Bal	48,232.52	15,473.04	(32,759.48)
2014	Township	Receipt	21,045.63	36,518.67	15,473.04
2014	Township	End Bal	55,878.22	23,118.74	(32,759.48)
2014	Township Assistance	Beg Bal	26,385.62	6,385.62	(20,000.00)
2014	Township Assistance	Receipt	32.48	6,418.10	6,385.62
2014	Township Assistance	End Bal	25,893.10	5,893.10	(20,000.00)
2015	Township	Beg Bal	55,878.22	23,118.74	(32,759.48)
2015	Township	Receipt	24,485.24	47,603.98	23,118.74
2015	Township	End Bal	67,279.82	34,520.34	(32,759.48)
2015	Township Assistance	Beg Bal	25,893.40	5,893.10	(20,000.00)
2015	Township Assistance	Receipt	2.96	5,996.06	5,993.10
2015	Township Assistance	End Bal	25,248.65	5,248.65	(20,000.00)

- *In some cases, compensation was paid in advance of hours worked.*
- *The Township Board did not fix the salaries of Township officers and employees for 2012, 2014, and 2015.*
- *Payments made for cemetery mowing did not comply with the amount in the written contract. Payments exceeded the contract amount by \$425 in 2012 and 2015.*
- *The Township paid penalties, interest, and other charges to Internal Revenue Service in the amount of \$1.87 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.*
- *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.*
- *The Township did not have a Contracting Policy for 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.*

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 March 29, 2016, with Carolyn Mullens, Trustee.


Paul D. Joyce, CPA
State Examiner