



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B46522

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June 28, 2016

TO: THE OFFICIALS OF LIMA TOWNSHIP, LAGRANGE COUNTY, INDIANA

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

- *Depository reconciliations of the fund balances to the bank account balances were conducted for 2012, 2013, and 2014; however, the reconciliations did not balance.*

<u>Date</u>	<u>Reconciled Bank Balance</u>	<u>Balance Per Township Ledger</u>	<u>Difference Long (Short)</u>
12-31-12	\$ 587,418.88	\$ 581,765.48	\$ 5,635.40
12-31-13	606,962.81	599,105.48	7,857.33
12-31-14	333,696.36	331,204.46	2,491.90

- *Depository reconciliations of the fund balances to the bank account balances were not prepared for 2015. As of December 31, 2015, we identified a cash long in the amount of \$1,420.26.*

- 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>
2012	Rainy Day	\$ 460
2013	Rainy Day	11,945

- Payments made for park and cemetery mowing from 2012 through 2015 were not supported by written contracts.
- The Township paid the Township Board members without the withholding federal, state, and local taxes and also without issuing them W-2s.
- The Annual Financial Report filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Township Ledger</u>	<u>Amount Per Gateway</u>	<u>Difference</u>
2012	Township	Disbursements	\$ 34,944.73	\$ 33,937.74	\$ 1,006.99
	Fire Fighting	Beginning Balance	169,742.87	283,069.34	(113,326.47)
		Receipts	56,285.74	56,053.65	232.09
		Ending Balance	171,954.08	285,048.46	(113,094.38)
	Cumulative Fire	Receipts	21,056.43	20,392.33	664.10
		Disbursements	17,221.00	3,090.00	14,131.00
		Ending Balance	237,696.31	251,163.21	(13,466.90)
	Rainy Day	Receipts	14,131.00	-	14,131.00
		Ending Balance	14,549.52	418.52	14,131.00
	Levy Excess	Beginning Balance	-	3,408.13	(3,408.13)
		Receipts	1,007.10	-	1,007.10
		Ending Balance	1,007.10	3,408.13	(2,401.03)
	EV Little Memorial	Beginning Balance	118,747.40	-	118,747.40
		Receipts	607.18	-	607.18
		Ending Balance	119,354.58	-	119,354.58
2013	Township	Beginning Balance	30,766.68	31,773.78	(1,007.10)
		Receipts	38,288.84	37,281.74	1,007.10
	Twp. Assistance	Disbursements	10,640.38	8,436.38	2,204.00
		Ending Balance	2,692.27	4,896.27	(2,204.00)
	Fire Fighting	Beginning Balance	171,954.08	285,048.46	(113,094.38)
		Receipts	239,551.79	56,939.90	182,611.89
		Ending Balance	362,462.45	292,944.94	69,517.51
	Cumulative Fire	Beginning Balance	237,696.31	251,163.21	(13,466.90)
		Disbursements	212,523.34	-	212,523.34
		Ending Balance	45,511.58	271,501.82	(225,990.24)
	Rainy Day	Beginning Balance	14,549.52	418.52	14,131.00
		Receipts	30,600.00	14,130.00	16,470.00
		Ending Balance	33,204.43	2,603.43	30,601.00
	Levy Excess	Beginning Balance	1,007.10	3,408.13	(2,401.03)
		Disbursements	1,007.10	-	1,007.10
		Ending Balance	-	3,408.13	(3,408.13)
	EV Little Memorial	Beginning Balance	119,354.58	-	119,354.58
		Ending Balance	119,354.58	-	119,354.58

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Township Ledger</u>	<u>Amount Per Gateway</u>	<u>Difference</u>	
2014	Township	Receipts	51,527.56	80,941.74	(29,414.18)	
		Disbursements	41,977.32	72,391.76	(30,414.44)	
		Ending Balance	44,215.34	43,214.97	1,000.37	
	Twp. Assistance	Beginning Balance	2,692.27	4,896.27	(2,204.00)	
		Ending Balance	13,036.09	15,240.09	(2,204.00)	
	Fire Fighting	Beginning Balance	362,462.45	292,944.94	69,517.51	
		Disbursements	310,415.13	139,588.31	170,826.82	
		Ending Balance	117,151.94	218,461.25	(101,309.31)	
	Cumulative Fire	Beginning Balance	45,511.58	271,501.82	(225,990.24)	
		Receipts	279,994.12	19,843.22	260,150.90	
	Rainy Day	Ending Balance	138,717.64	104,556.98	34,160.66	
		Beginning Balance	33,204.43	25,986.71	7,217.72	
		Receipts	-	104.00	(104.00)	
	Park & Recreation	Disbursements	18,691.08	16,745.41	1,945.67	
		Ending Balance	14,513.35	9,345.30	5,168.05	
		Receipts	4,541.37	3,587.88	953.49	
	Levy Excess	Ending Balance	3,570.44	2,616.95	953.49	
		Beginning Balance	-	3,408.13	(3,408.13)	
	EV Little Memorial	Ending Balance	-	3,408.13	(3,408.13)	
		Beginning Balance	119,354.58	-	119,354.58	
2015	Township	Receipts	282.34	-	282.34	
		Disbursements	119,636.92	-	119,636.92	
		Beginning Balance	44,215.34	43,214.97	1,000.37	
	Twp. Assistance	Ending Balance	32,075.30	31,074.93	1,000.37	
		Beginning Balance	13,036.29	15,240.09	(2,203.80)	
	Fire Fighting	Ending Balance	11,925.49	14,129.29	(2,203.80)	
		Beginning Balance	117,151.94	218,461.25	(101,309.31)	
	Cumulative Fire	Ending Balance	116,085.30	217,394.61	(101,309.31)	
		Beginning Balance	138,717.64	104,556.98	34,160.56	
		Disbursements	86,919.50	3,558.50	83,361.00	
	Rainy Day	Ending Balance	71,737.16	120,937.50	(49,200.34)	
		Beginning Balance	14,513.35	9,345.30	5,168.05	
	Park & Recreation	Ending Balance	14,513.35	9,345.30	5,168.05	
		Beginning Balance	3,570.10	2,616.95	953.15	
	Levy Excess	Ending Balance	6,510.14	5,556.99	953.15	
		Beginning Balance	-	3,408.13	(3,408.13)	
			Ending Balance	-	3,408.13	(3,408.13)

- 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.

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 19, 2016, with Kirby Glick, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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