



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47456

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December 30, 2016

TO: THE OFFICIALS OF LANCASTER TOWNSHIP, WELLS COUNTY, INDIANA

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

***Unresolved Comment from Prior Report***

- *Township Board approval of salaries was not presented for review for 2012, 2013, 2014, and 2015.*

***Current Period Comments***

- *The Annual Financial Report filed on Gateway for 2012, 2013, and 2014 did not match the Township's records. The December 31, 2014 balances of the Township and Payroll Liability funds on the 2014 Annual Financial Report did not agree with the balances at January 1, 2015, on the 2015 Annual Financial Report.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2012	Payroll Liability	Receipts	\$ -	\$ 1,533	\$ (1,533)
2012	Payroll Liability	Disbursements	-	1,533	(1,533)
2013	Payroll Liability	Receipts	-	1,935	(1,935)
2013	Payroll Liability	Disbursements	-	1,467	(1,467)
2013	Payroll Liability	Ending Balance	-	468	(468)
2014	Payroll Liability	Beginning Balance	-	468	(468)
2014	Payroll Liability	Receipts	-	2,341	(2,341)
2014	Payroll Liability	Disbursements	-	2,223	(2,223)
2014	Payroll Liability	Ending Balance	-	586	(586)

- 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	Fire Fighting	\$ <u>5,778</u>

- A review of payroll check dates indicated 22 out of 36 salary payments were paid as much as 30 days in advance of the actual date the services were provided in 2012, 2013, and 2014.
- Several Township Assistance payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.
- Township Assistance was provided to individuals whose income exceeded income amounts noted in the approved Township Assistance Standards.
- The salary of the investigator was paid from the Township Fund rather than the Township Assistance Fund in 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 June 9, 2016, with Kenneth Isch, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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

KENNETH ISCH TRUSTEE  
LANCASTER TWP/WELLS CO.  
915 N. MAIN ST. SUITE #7  
BLUFFTON IN 46714

JUNE 13, 2013

**LANCASTER TOWNSHIP RESPONSES TO 2016 SBOA EXAMINATION COMMENTS**

***We used one of our own forms for approving the salaries for 2016. We will use Form 17 "Resolution Establishing Salaries of Township Officers and Employees" for the 2017 & future Salary Resolutions.***

***The out of balance conditions for the end of 2014 were corrected for the beginning balances for 2015, and then the Year End Annual Report for 2105 was in balance.***

- ***This disbursement that was in excess of the budgeted appropriation happened in the Fire Fighters Fund prior to 2015 when Kenneth Isch, the current Lancaster Township Trustee took office.***
- ***We started in 2015 to only pay the salaries in the next month that the salaries were earned. I was told at one of the State ITA Conferences that we could pay the December salaries toward the end of December of the current year.***
- ***Will review and require the supporting documentation that is inadequate.***
- ***Will enforce the Income Guidelines with some rare exceptions, where there are other dire or unusual circumstances or needs. Will review with our Township Board if our Income Guidelines should be revised to more equally compare to the Federal Income Guidelines***
- ***Will make an adjusting entry in our General Ledger and split her salary between the Township and the Assistance Funds for the first 5 months of 2016. Will split her salary between the 2 Funds from now on. Starting in 2015 and in 2016, we no longer had a Clerk and an Investigator as the duties were combined under one person. Correction: After reviewing our budget for 2016 we seen that we did not have any money budgeted for the salary for the Investigator in the Township Assistance Fund. Janet Moser's salary was all budgeted out of the Township Budget. With your approval, we will correct this error in our 2017 Budget and then split Janet's Salary between the Clerk and Investigator Positions and charge part of it to the Township Fund and Part of it to the Township Assistance Fund..***

• ***Please call if you need any further information or have any questions or concerns.***

• ***Thanks you:***

*Kenneth R. Isch*

• ***Kenneth R. Isch***

• ***Lancaster Township Trustee***

• ***Phone:260-849-9041***