



STATE OF INDIANA
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B47554

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January 20, 2017

TO: THE OFFICIALS OF RAILROAD TOWNSHIP, STARKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Railroad 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 Township's 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 Comments from Prior Report

- *The Township Board did not fix the salaries, wages, or hourly rates of Township officers and employees.*
- *The records presented indicated the following disbursements in excess of budgeted appropriations.*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Township	\$ 13,564.80

Current Period Comments

- *State and local income taxes were not withheld from compensation paid to the Trustee and Township Clerk for 2012 through 2014.*

- *Compensation was paid to the Trustee and Township Clerk in the beginning of each month prior to when the services were rendered for 2012 through 2014.*
- *Federal Form W-2s were not issued to the Township Board members.*
- *Payroll taxes were not withheld from the Township Board member's compensation.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The total all funds column cash and investment balances in the Ledger (Control Ledger) did not agree to the calculated sum of the individual funds' cash and investment balances (Detail Ledger) at December 31, 2015. The cash and investments per the Control Ledger exceeded the sum of the funds' cash and investment balances per the detail ledger by \$1,594.83. Both ledger balances excluded investments of \$230,000.*
- *The Annual Financial Report (AFR) filed on Gateway for 2015 did not match the Township's records.*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2015	Township	Disbursement	\$ 38,342.45	\$ 38,328.14	\$ 14.31
2015	Firefighting	Disbursement	49,099.09	45,872.97	3,226.12
2015	Township	Ending Balance	89,635.99	89,650.99	(15.00)
2015	Firefighting	Ending Balance	212,978.53	216,204.78	(3,226.25)

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 Mandy Thomason, Trustee, and Sarah Gillard, Township Clerk. The contents of this letter were discussed by phone on November 9, 2016, with Roger Chaffins, former Trustee.

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