

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

COMPLIANCE REPORT
OF
LAFAYETTE TOWNSHIP
OWEN COUNTY, INDIANA
January 1, 2012 to December 31, 2016



FILED
06/15/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Lois Bixler Brenda Miller	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	Kenneth Sebastian	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF LAFAYETTE TOWNSHIP, OWEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Lafayette Township (Township), Owen County, for the period January 1, 2012 to December 31, 2016, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

April 27, 2017

LAFAYETTE TOWNSHIP, OWEN COUNTY
RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORTS

The Annual Financial Reports (AFR) filed on Gateway for 2014 and 2015 contained errors, and did not properly reflect the financial activity of the Township.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2014	Township Assistance	Receipts	\$ -	\$ 2,311.88	\$ (2,311.88)
2014	Township Assistance	Disbursements	1,452.85	4,422.43	(2,969.58)
2014	Township Assistance	Ending Balance	4,791.76	4,137.06	654.70
2015	Township Assistance	Receipts	9,737.07	10,128.65	(391.58)
2015	Township Assistance	Ending Balance	8,736.13	9,127.71	(391.58)
2015	Fire Fighting	Receipts	3,407.05	4,408.26	(1,001.21)
2015	Fire Fighting	Ending Balance	112.25	1,113.42	(1,001.17)

In addition to these differences, the 2016 beginning balance for the Township fund did not agree with the 2015 ending balance for that fund both in the ledger and on Gateway.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

DEPOSITORY RECONCILIATIONS

Reconciliations of the fund balances to the bank account balances were not performed for each of the 16 months from December 2014 through March 2016. As a result, unrecorded receipts deposited in December 2014 were not discovered and recorded until June 2016.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

LAFAYETTE TOWNSHIP, OWEN COUNTY
RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

The records presented indicated the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2014	Fire Fighting	\$ 2,000
2015	Township	696

PAYROLL DEDUCTIONS

The Township did not withhold payroll taxes from salaries paid to the Township Clerk, or the Township Board members for the years 2012, 2014, or 2015. The Township also did not issue W-2 forms to those employees for those years.

The Township's Employer's Quarterly Federal Tax Return (Form 941) for the fourth quarter of 2016 was completed incorrectly. As a result, the amounts reported on Form 941 do not match the amounts reported on W-2 forms and the Federal payroll taxes were underpaid by \$328 for 2016.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

LAFAYETTE TOWNSHIP, OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2017, with Brenda Miller, Trustee.