



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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February 22, 2022

TO: THE OFFICIALS OF LINCOLN TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Lincoln Township (Township), St. Joseph County, for the period of January 1, 2017 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.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.

***Comments***

***NEPOTISM IN EMPLOYMENT AND CONTRACTING POLICIES***

***Condition and Context***

The Township had not adopted the Nepotism in Employment and Contracting policies as required by Indiana Code 36-1-20.2-9 and Indiana Code 36-1-21-4, respectively.

***Criteria***

Indiana Code 36-1-20.2-9(a) states in part: "This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. . . ."

Indiana Code 36-1-21-4(a) states in part: "This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. . . ."

## **APPROPRIATIONS**

### *Condition and Context*

The Township Fund had disbursements in excess of budgeted appropriations for 2019 by \$44,966.

### *Criteria*

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

## **OFFICIAL BONDS**

### *Condition and Context*

The Trustee was bonded for \$15,000 during the engagement period, which is insufficient per the Indiana Code.

### *Criteria*

Indiana Code 5-4-1-18(e) states in part:

". . . the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. . . ."

## **TRAINING ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

### *Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

## **CERTIFICATION ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

The Township certified on the Indiana Gateway for Governmental Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, during the engagement, the Trustee indicated that all personnel had not received training concerning the internal control standards.

### *Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

## **SALARY RESOLUTION**

### *Condition and Context*

The Township did not provide an annual salary resolution, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees for 2019 and 2020.

### *Criteria*

Indiana Code 36-6-6-10(c) states in part: "The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule. . . ."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.


SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
TOWNSHIP FUND	\$ 316,302
PARKS AND RECREATION	7,169
TOWNSHIP ASSISTANCE	14,580
RAINY DAY FUND	67,254
EXCESS LEVY	477
PAYROLL DEDUCTIONS	<u>2,040</u>
Total	<u>\$ 407,822</u>

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

The contents of this letter were communicated to Ricky Curtis, Trustee, and Thomas Curtis, Chair of the Township Board, on February 3, 2022.

Respectfully,

  
Paul D. Joyce, CPA  
State Examiner