



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

June 22, 2023

TO: THE OFFICIALS OF LINCOLN TOWNSHIP, LAPORTE 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), LaPorte County, for the period of January 1, 2018 to December 31, 2021, 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.

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

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Reconciliations of the Township's fund balances to its bank account balances were not performed monthly. Nine monthly reconciliations were chosen for testing, which indicated a reconciliation of the fund balances to the bank account balance did not occur until March 2023.

Criteria

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."

ADOPTION OF INTERNAL CONTROL STANDARDS

A similar comment also appeared in the prior Report B51046, entitled *INTERNAL CONTROLS*.

Condition and Context

The Township had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Criteria

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

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

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TRAINING ON INTERNAL CONTROL STANDARDS

A similar comment also appeared in the prior Report B51046, entitled *INTERNAL CONTROLS*.

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:

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

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION OF INTERNAL CONTROL STANDARDS

A similar comment also appeared in the prior Report B51046, entitled *INTERNAL CONTROLS*.

Condition and Context

The Township certified on the Indiana Gateway for Government Units financial reporting system that the minimum internal control standards as required by Indiana Code 5-11-1-27(e) had been adopted and 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 the minimum internal control standards were not adopted and that all personnel had not received training concerning the internal control standards.

Context

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](#)."

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
As of December 31, 2021

Fund	Cash and Investments 12-31-21
Township	\$ 89,687
Township Assistance	18,874
Fire Fighting	339,732
Rainy Day	2,769
Levy Excess	1,808
Cumulative Fire	90,606
Fire Equipment Debt	45,011
Total	<u>\$ 588,487</u>

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

The contents of this report were communicated to Nancy Morgan, Trustee, and Steve Holifield, Chair of the Township Board, on June 1, 2023.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner

The following was submitted by Steve Holifield, Lincoln Township Board President

As a two time board member and currently President of the Lincoln Township Advisory Board here in La Porte County, I found the audit to be woefully inadequate. It was very limited to what was audited. Some of these problems went back to 2007. Within this time the State did nothing to address the shortcomings they felt were happening. I also do not believe they, the State, followed up appropriately to these infractions. As was stated during the conference call, when I questioned why they were allowed to happen, the statement of township government doesn't have the scrutiny it should.

Talking with friends, family, current and former board members from across the state, as well as trustees, there are issues happening more often than the state cares to admit. In my opinion this is a complete waste of taxpayers time and money. Just one more reason as to why the citizens have lost faith in their government, especially at a local level. The people who we are supposed to look to for guidance seem to be more interested in keeping their jobs instead of doing their jobs.

If some of the issues which, in my opinion, are mainly record and bookkeeping errors, were being made this many years ago and still occurring then why did the State not look into them further at the time? Again providing oversight after the fact is akin to closing the gate after the cows have run from the pasture. I also take offense to the secrecy and keeping the facts from the public till this information becomes public record. What is the State afraid? A government that is not transparent is a government trying to hide something from it's citizens. Citizen's that are the bosses of the government. We, myself definitely, are supposed to work for the people, not the State.

I will close with this. There is basically no need whatsoever for township government any longer. It was needed when Indiana first attained statehood. There are more than enough county employees, especially here in La Porte County, to take on the work the trustee currently does. We also have churches and other private charities and other private organizations to help with poor relief. No where in the Constitution of the Unites States of America does it say it is the responsibility of the government to do this. With the number of bills appearing during session at the State House concerning township government, I can only hope that there will eventually be elimination of this unnecessary level of local government. Especially since it appears the State doesn't have the ability to provide adequate oversight.

Respectfully submitted by Steve Holifield