



**STATE OF INDIANA**  
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August 18, 2014

TO: THE OFFICIALS OF PRAIRIE CREEK TOWNSHIP, VIGO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Prairie Creek Township (Township), for the period of January 1, 2010 to December 31, 2013, 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 *generally accepted auditing standards*. 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 for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, 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***

- *The Township paid penalties, interest, and other charges to the Internal Revenue Service in 2012 in the amount of \$20.48 because the Township did not remit payments on a timely basis.*

***Current Period Comments***

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained checks that had cleared the bank and did not include the checks that had not cleared the bank.*
- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*

- The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township as shown in the table:

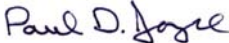
Years	Fund	(Beg Bal, Receipt, Disb, End Bal) Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2011	Township	Beg Bal	\$ 32,329	\$ 22,927	\$ 9,402
2011	Township	Receipt	18,757	16,572	2,185
2011	Township	Disb	23,982	23,977	5
2011	Township	End Bal	27,105	24,900	2,205
2011	Township Assistance	Beg Bal	12,658	12,543	115
2011	Township Assistance	Receipt	5,606	8,347	(2,741)
2011	Township Assistance	End Bal	5,720	8,407	(2,687)
2011	Park & Recreation	End Bal	1,177	1,782	(605)
2012	Township	Beg Bal	27,105	22,927	4,178
2012	Township	Disb	22,843	20,153	2,690
2012	Township	End Bal	15,177	7,912	7,265
2012	Township Assistance	Beg Bal	8,457	12,543	(4,086)
2012	Township Assistance	Receipt	3,042	3,409	(367)
2012	Township Assistance	Disb	8,954	9,842	(888)
2012	Township Assistance	End Bal	2,545	5,470	(2,925)
2012	Park & Recreation	Beg Bal	1,781	605	1,176
2012	Park & Recreation	Receipt	369	-	369
2012	Park & Recreation	End Bal	2,150	973	1,177
2013	Township	Beg Bal	8,411	18,078	(9,667)
2013	Township	Receipt	26,456	25,993	463
2013	Township	Disb	25,682	25,765	(83)

- Receipts were deposited later than the first and fifteenth of the month. Of the 63 tested, 20 were deposited up to 85 days after received.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, and 2013. One has been adopted for 2014.
- The Clerk was paid without the Township withholding federal, state, and local taxes in 2013.
- W-2s were not presented for review for 2010, 2011, and 2012.
- Payments made for cemetery mowing for 2010, 2011, 2012, and 2013 were not supported by a written contract. A mowing contract is in place for 2014.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete and did not include all of the pay for the Clerk in 2012 and 2013.
- Township Assistance Standards were not presented for review.
- The Township did not have a Nepotism Policy for 2012 or 2013. A policy was passed on June 4, 2014.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) in 2012 and 2013.

- *The Township did not have a Contracting Policy for 2012 or 2013. A policy was passed on June 4, 2014.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21, (Contracting with a Unit) in 2012 and 2013.*
- *The 2010 disbursement documentation including receipts, invoices, and supporting documentation were not retained and available for review.*
- *The Annual Financial Report for 2010, 2012, and 2013 was not filed electronically until June 3, 2011, March 20, 2013, and March 13, 2014, respectively, which is 94 days, 19 days, and 12 days past the due date.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010, 2011, and 2012. The reports were filed on July 23, 2012, April 25, 2012, and April 26, 2013, respectively, which is up to 568 days past the due date.*

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 May 22, 2014, with Laine Auler, Clerk.

  
Paul D. Joyce, CPA  
State Examiner