



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44270

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

October 2, 2014

TO: THE OFFICIALS OF SALT CREEK TOWNSHIP, MONROE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Salt Creek Township (Township), for the period of January 1, 2011 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 2011 and later 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 did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, and 2013.*
- *Employees of the Township were paid without the Township withholding federal, state, and local taxes.*
- *W-2s were not issued for all Township employees. 1099s were issued in 2013 but nothing was presented for review for 2011 and 2012.*

Current Period Comments

- *As of December 31, 2013, the bank account reconciliation identified a cash short in the amount of \$34.99.*


- 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 2012 and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.

Years	Fund	(Beg Bal, Receipt, Disb, End Bal) Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2012	Township	Receipt	\$ 35,377.77	\$ 35,347.77	\$ 30.00
2012	Firefighting	Receipt	275,379.26	25,533.10	249,846.16
2012	Emergency Fire Loan	Receipt	-	249,846.16	(249,846.16)
2012	Township	Disb	25,287.02	29,951.91	(4,664.89)
2012	Firefighting	Disb	265,465.80	20,000.00	245,465.80
2012	Cumulative Fire	Disb	31,025.95	26,245.98	4,779.97
2012	Salt Creek Cemetery	Disb	54.00	194.08	(140.08)
2012	Emergency Fire Loan	Disb	-	246,465.80	(246,465.80)
2012	Township	End Bal	22,856.86	18,161.97	4,694.89
2012	Firefighting	End Bal	37,600.53	33,220.17	4,380.36
2012	Cumulative Fire	End Bal	13,957.94	18,737.91	(4,779.97)
2012	Salt Creek Cemetery	End Bal	18,917.51	18,777.43	140.08
2012	Emergency Fire Loan	End Bal	-	4,380.36	(4,380.36)
2013	Township	Beg Bal	22,856.86	18,161.97	4,694.89
2013	Firefighting	Beg Bal	37,600.53	33,220.17	4,380.36
2013	Cumulative Fire	Beg Bal	13,957.94	18,737.91	(4,779.97)
2013	Salt Creek Cemetery	Beg Bal	18,917.51	18,777.43	140.08
2013	Township	End Bal	29,895.85	25,200.96	4,694.89
2013	Firefighting	End Bal	32,698.45	28,318.09	4,380.36
2013	Cumulative Fire	End Bal	17,867.99	22,647.96	(4,779.97)
2013	Salt Creek Cemetery	End Bal	19,956.51	19,816.43	140.08

- Payments made for fire services were not paid in accordance with the written contract in 2011 and 2012.
- The Trustee's Surety Bond was insufficient per the Indiana Code for 2012 and 2013. The bond is for \$15,000 and Indiana Code requires at least \$30,000.
- The Township did not have a Nepotism Policy for 2012 or 2013.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 and 2013.
- The Township did not have a Contracting Policy for 2012 or 2013.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.
- The Township did not have a credit card policy approved by the Township Board.

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 July 8, 2014, with Donald Hall, Trustee.


Paul D. Joyce, CPA
State Examiner