



STATE OF INDIANA
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B44625

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December 22, 2014

TO: THE OFFICIALS OF PATOKA TOWNSHIP, CRAWFORD COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Patoka 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/. 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 prior report reported that Social Security and Medicare taxes were not withheld from the wages paid to Township Board members during the review period.*

Employees of the Township were paid without the Township withholding federal, state, and local taxes for the years 2010, 2011, 2012, and 2013.

Current Period Comments

- *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 were not returned.*
- *Instances were noted where depository reconciliations of the fund balances to the bank account balances were not completed or not adequately documented. Some months' reconciliations did not identify outstanding checks by the check number and amount or document that no checks were outstanding.*

- The Annual Financial Report filed on Gateway for 2011 and 2012 contained a number of errors and did not properly reflect the financial activity of the Township. The following is a schedule of these differences:

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2011	Township	Beg Bal	\$ 33,129.25	\$ 37,819.37	\$ (4,690.12)
2011	Township	End Bal	30,667.31	35,373.58	(4,706.27)
2012	Township	Beg Bal	30,667.31	35,373.58	(4,706.27)
2012	Township	End Bal	35,504.28	40,425.27	(4,920.99)

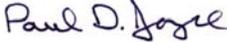
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.
- W-2s were not issued to all Township employees for the review period.
- The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for the years 2012 and 2013. The following is a schedule of these differences:

<u>Years</u>	<u>Position</u>	<u>Total Compensation Stated on 100R</u>	<u>Actual Compensation</u>
2012	Trustee	\$ 6,322	\$ 6,700
2012	Clerk	1,982	2,100
2013	Trustee	6,322	6,800
2013	Clerk	1,982	2,200

- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2010, 2011, 2012, and 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 timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010 and 2011. The 2010 report was filed on May 4, 2011, and the 2011 report was filed on February 6, 2012, which is 93 days and 6 days past the due date, respectively.

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 June 9, 2014, with Mary K. McLain, Trustee.


Paul D. Joyce, CPA
State Examiner