



STATE OF INDIANA
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January 5, 2015

TO: THE OFFICIALS OF INDIAN CREEK TOWNSHIP, PULASKI COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Indian 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 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 Comments From Prior Report


- *Receipts were deposited later than the first and fifteenth of the month. Deposits were only made three or four times a year. Tax distributions were deposited up to 147 days after the check date.*
- *Compensation was paid to the Trustee and Deputy Clerk in advance of the actual date that services were provided. The Trustee received some payments two months at a time, or in the month prior to providing services. The Deputy Clerk was paid at least one-half of the annual salary in January.*
- *The Township paid penalties, interest, and other charges to the U.S. Treasury in the amount of \$186.54 in 2014 because payroll taxes withheld were not properly remitted to the Internal Revenue Service for 2012 payroll taxes.*

Current Period Comments

- *The Trustee did not prepare depository reconciliations of the fund balances to the bank account balances for the last six months of 2013.*
- *Compensation paid to employees was not in accordance with the salary resolution for 2011 and 2013. The Trustee was underpaid by \$92 in 2011 and overpaid by \$100 in 2013.*
- *The wages reported on the W-2s issued for 2011 and 2013 did not agree with the actual amounts paid to employees.*
- *The Trustee received/paid rent in advance. Rent was generally paid when compensation was paid; in 2013, the Trustee received rent payments in January for the following months of February to August.*
- *Compensation was paid without the Township withholding federal, state, and local taxes.*
- *The Deputy Clerk and the Township Board members did not receive W-2s.*
- *The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2013 100-R stated the Trustee's total compensation was \$6,000, but the Trustee was paid \$5,100 in 2013. The 2012 100-R was overstated by \$1,200 which was due to the inclusion of rent payments.*
- *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 2011. The report was filed on April 3, 2012, which is 63 days past the due date.*
- *The Township did not have the required meeting to review and adopt the Annual Report in accordance with Indiana Code 36-6-6-9 for 2012 or 2013.*
- *The official bond for 2013 was not presented for review. In addition, several receipts, invoices and supporting documentation were not retained and available for review.*
- *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, or December 31, 2013.*
- *The Township did not have a Contracting Policy for the years 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, or December 31, 2013.*
- *The disbursements for 2011 were made without appropriation. The original budget was not certified by the Department of Local Government Finance (DLGF). Although the Township Board approved additional appropriations in September 2011, there is no evidence of approval of these appropriations by the DLGF.*

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 Craig Allen, Trustee.


Paul D. Joyce, CPA
State Examiner