



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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May 22, 2015

TO: THE OFFICIALS OF SCIPIO TOWNSHIP, LAPORTE COUNTY, INDIANA

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

- *The Township paid penalties, interest and other charges to the Internal Revenue Service in the amount of \$160.52 because the Township did not remit payments on a timely basis.*

Current Period Comments

- *The Annual Financial Report filed on Gateway for 2013 did not properly reflect the financial activity of the Township. There was a reconciling tax distribution from LaPorte County and officials recorded it as a negative receipt in the ledger but in the Gateway system it was recorded as an additional disbursement.*

<u>Year</u>	<u>Fund</u>	<u>(Beg Bal, Receipt, Disb, End Bal) Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2013	Fire Debt	Receipts	\$ 1.18	\$ (16,730.57)	\$ 16,731.75
		Disbursements	53,847.07	37,115.32	16,731.75

- The following funds had overdrawn cash balances at December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2011	Fire Debt	\$ 8,070.52
2013	Township	7,453.65
2013	Fire Debt	48,409.74

- The Township did not adopt a resolution establishing salaries of Township officers and employees.
- Employees of the Township were paid without the Township withholding state and local taxes. Board members of the Township were paid without the Township withholding federal, state, and local taxes. Board members were issued 1099's at the end of the year, instead of the required W-2s.
- The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) for 2012 and 2013 were incomplete. The reports did not include the Township Board members.
- Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Payments totaling \$3,056.78 were paid to vendors without supporting documentation in 2013.
- The Trustee did not obtain an individual Surety Bond.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 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, 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 2011 and 2012. The report was filed on March 8, 2012, and March 16, 2013, respectively, which is 36 days and 44 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 October 9, 2014, with Nina R. Sampson, Trustee.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner