



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47189

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November 18, 2016

TO: THE OFFICIALS OF PRAIRIETON TOWNSHIP, VIGO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Prairieton Township (Township), for the period of January 1, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States of America. 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.

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.

**Current Period Comments**

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 48 out of 48 months during the review period.*
- *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 for 2012, 2013, 2014, and 2015. The back side or endorsement side of the checks was not returned.*
- *The Township Board did not fix the salaries of all officials and employees for 2012.*
- *The Township paid \$17,725 of compensation in advance of the actual date the services were provided in 2012, 2013, 2014, and 2015.*
- *Employees of the Township were paid without the Township withholding federal, state, and local taxes.*

- *The wages reported on the W-2s issued for 2012 did not agree with the actual amounts paid to employees.*
- *W-2s were not issued for all Township employees.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2013	Township	\$ 129.66
2014	Township Assistance	1,225.16

- *Receipts were deposited later than the first and fifteenth of the month in 2012 and 2013. In 2012 receipts were deposited up to nine days and in 2013 up to 15 days after receipt.*
- *The Township did not have a Nepotism Policy for 2012, 2013, 2014, and 2015.*
- *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, 2013, 2014, and 2015*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, and 2015.*
- *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, 2013, 2014, and 2015.*
- *Payment was observed for a donation of \$1,560 in 2012.*

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 24, 2016, with David F. Phelps, Trustee, and Judith E. Dillion, Clerk.

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