

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

COMPLIANCE REPORT

OF

PATOKA TOWNSHIP

DUBOIS COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
03/07/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Donald Astrike	01-01-11 to 12-31-18
Chairman of the Township Board	Jeff Bounds	01-01-12 to 12-31-12
	Roland Terwiske	01-01-13 to 12-31-13
	Larry Ferguson	01-01-14 to 12-31-14
	Jeff Bounds	01-01-15 to 12-31-15
	Roland Terwiske	01-01-16 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PATOKA TOWNSHIP, DUBOIS 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), Dubois County, for the period 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.

The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

January 18, 2017

PATOKA TOWNSHIP, DUBOIS COUNTY  
RESULTS AND COMMENTS

**OPTICAL IMAGE OF CHECKS**

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.

Indiana Code 26-2-8-111(a) states:

"If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

**APPROVAL OF SALARIES**

The Township Board did not fix the salaries of the Township officials and employees for the year 2012.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages . . .

of all officers and employees of the township."

**ADVANCE PAYMENTS**

The Township paid compensation to the Trustee in advance of the actual date the services were provided. The Trustee was paid his monthly salary between the fourth and the eighteenth of each month, instead of at the end of the month.

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**PENALTIES, INTEREST, AND OTHER CHARGES**

The Township paid penalties, interest, and other charges to the Internal Revenue Service and the Indiana Department of Revenue in the amounts of \$46.88 and \$47.62, respectively, because the Township did not remit payments on a timely basis.

PATOKA TOWNSHIP, DUBOIS COUNTY  
RESULTS AND COMMENTS  
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 1)

**TOWNSHIP ASSISTANCE STANDARDS**

For 2012, 2013, 2014, and 2015, the Township did not establish Township Assistance Standards as required by state statute.

Indiana Code 12-20-5.5-1 states:

- "(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationally, or gender of the applicant or any member of the applicant's household.
- (b) The township's standards for the issuance of township assistance and the processing of applications must be:
- (1) governed by the requirements of this article;
  - (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
  - (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
  - (4) published in a single written document, including addenda attached to the document; and
  - (5) posted in a place prominently visible to the public in all offices of the township trustee where township applications are taken or processed."

**RAINY DAY FUND**

In 2013, the Township adopted a Resolution to transfer \$11,334.50 from the General fund (Township fund) to the Rainy Day fund. However, the actual transfer of \$11,334.50 was made from the Township Assistance fund; instead of the Township fund.

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Indiana Code 36-1-8-5.1(d) states in part:

"In any fiscal year, a political subdivision may, at any time, do the following: . . .

- (1) Transfer any unused and unencumbered funds . . . from any fiscal year to the rainy day fund.

PATOKA TOWNSHIP, DUBOIS COUNTY  
RESULTS AND COMMENTS  
(Continued)

(2) Transfer . . . to rainy day fund as long as the transfer satisfies the following requirements:

(A) The amount of the transfer is authorized by and identified in and ordinance or resolution. . . ."

***CERTIFIED REPORT OF COMPENSATION OF OFFICERS AND EMPLOYEES***

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) for 2014 was not filed with the Indiana State Board of Accounts until March 6, 2015, which was 34 days past the due date.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

PATOKA TOWNSHIP, DUBOIS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 18, 2017, with Donald J. Astrike, Trustee.