

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

COMPLIANCE REPORT  
OF  
PORTER TOWNSHIP  
PORTER COUNTY, INDIANA  
January 1, 2013 to December 31, 2017



**FILED**  
01/26/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Edward K. Morales	01-01-11 to 12-31-18
Chairman of the Township Board	David A. Williams	01-01-13 to 12-31-14
	Christian P. Hendron	01-01-15 to 12-31-15
	David A. Williams	01-01-16 to 12-31-16
	Kathy C. Sherman	01-01-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PORTER TOWNSHIP, PORTER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Porter Township (Township), Porter County, for the period of January 1, 2013 to December 31, 2017, 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 Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

December 14, 2018

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#### OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Township's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

PORTER TOWNSHIP, PORTER COUNTY  
 SCHEDULE OF CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

Fund	Cash and Investments 12-31-17
Township	\$ 24,471
Township Assistance	21,018
Fire Fighting	196,812
Rainy Day	31,410
Cumulative Fire	2,833
Building Or Remodeling	65
Fire Debt	<u>1,221</u>
Total	<u>\$ 277,830</u>

PORTER TOWNSHIP, PORTER COUNTY  
RESULTS AND COMMENTS

**COMPENSATION**

The Township did not provide an annual salary resolution or ordinance, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees during the engagement period.

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances;

of all officers and employees of the township."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

The Township's Annual Financial Report for 2016 was not filed electronically until August 9, 2017, which was 161 days past the due date.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

PORTER TOWNSHIP, PORTER COUNTY  
RESULTS AND COMMENTS  
(Continued)

***TRAINING ON INTERNAL CONTROL STANDARDS***

Documentation that Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had received training over internal control standards developed or approved by the Indiana State Board of Accounts was not provided.

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The Township certified with the Annual Financial Report on Gateway that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, documentation that all personnel had received training concerning the internal control standards was not provided.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

PORTER TOWNSHIP, PORTER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2018, with Edward K. Morales, Trustee.