



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B43768

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

June 27, 2014

TO: THE OFFICIALS OF GILBOA TOWNSHIP, BENTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Gilboa Township (Township), for the period of January 1, 2010 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.

Current Period Comments

- *Monthly depository reconciliations of the fund balances to the bank account balances were not presented for review for the years of 2010 and 2011 during the review period. Monthly reconcilements were not performed during the two year 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 through August of 2010. The back side or endorsement side of the checks was not returned. Beginning with September 2010, the financial institution did not return either the actual cancelled checks or optical images with the monthly bank statements.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Fire Debt	<u>\$ 3,011</u>

- Receipts were deposited later than the 1st and 15th of the month in 2010 and 2011. A tax distribution from Benton County, dated June 10, 2010, was not deposited with the bank until August 5, 2010. A tax distribution from Benton County, dated December 9, 2011, was not deposited with the bank until December 27, 2011.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011.
- The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2012. The Report was not published in the time frame required by the statute.
- The Township did not have a Nepotism Policy for 2012 or 2013.
- The Township did not have a Contracting Policy for 2012 or 2013.
- Each elected officer (Board members and Trustee) did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 and 2013.
- Each elected officer (Board members and Trustee) did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting with a Unit) by December 31, 2012 and 2013.
- The 2011 Fire Contract was not presented for review.
- The Annual Reports filed electronically for 2010, 2012, and 2013, were not filed within the time frame required by statute. The Reports for 2010, 2012, and 2013, were not filed until May 15, 2011, March 8, 2013, and March 6, 2014, respectively.
- The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010, 2011, and 2012. The Reports were filed on May 25, 2011, February 23, 2012, and February 18, 2013.

Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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 14, 2014, with Russell Clark, Trustee.

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