



**STATE OF INDIANA**  
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B44362

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October 27, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Shelby 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/](http://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**

- *The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township Assistance	Beginning Balance	\$ 36,347.58	\$ 36,853.92	\$ (506.34)
2011	Township Assistance	Receipts	10,884.44	10,378.10	506.34
2011	Township Assistance	Disbursements	1,778.18	1,271.84	506.34
2011	Township Assistance	Ending Balance	45,453.84	45,960.18	(506.34)
2011	Rainy Day	Beginning Balance	7,702.88	3,851.44	3,851.44
2011	Rainy Day	Ending Balance	7,702.88	3,851.44	3,851.44
2011	Levy Excess	Beginning Balance	371.72	185.86	185.86
2011	Levy Excess	Ending Balance	198.86	13.00	185.86
2012	Township Assistance	Beginning Balance	45,453.84	45,960.18	(506.34)
2012	Township Assistance	Ending Balance	47,460.86	47,967.20	(506.34)
2012	Rainy Day	Beginning Balance	7,702.80	3,851.44	3,851.36
2012	Rainy Day	Ending Balance	7,702.88	3,851.44	3,851.44
2012	Levy Excess	Beginning Balance	198.86	13.00	185.86
2012	Levy Excess	Ending Balance	198.86	13.00	185.86
2012	Cumulative Fire	Ending Balance	92,191.41	92,241.50	(50.09)
2013	Township	Receipts	33,725.47	33,761.76	(36.29)
2013	Township	Ending Balance	131,466.14	131,502.50	(36.36)
2013	Township Assistance	Beginning Balance	47,460.86	47,967.20	(506.34)
2013	Township Assistance	Disbursements	10,602.63	10,975.32	(372.69)
2013	Township Assistance	Ending Balance	47,251.49	47,385.14	(133.65)
2013	Rainy Day	Beginning Balance	7,702.88	3,851.44	3,851.44
2013	Rainy Day	Ending Balance	7,702.88	3,851.44	3,851.44
2013	Cumulative Fire	Beginning Balance	92,191.41	92,241.50	(50.09)
2013	Cumulative Fire	Disbursements	-	36,000.00	(36,000.00)
2013	Cumulative Fire	Ending Balance	105,305.80	69,305.89	35,999.91

- *The Trustee did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, and December 31, 2013.*
- *The Township did not have a Contracting Policy for 2012 or 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, 2012, and December 31, 2013.*
- *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 2011. The report was filed on March 6, 2012, which was 35 days past the due date.*

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 29, 2014, with James W. Montgomery, Trustee, and Dorothy L. Ward, Clerk.

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