

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

EXAMINATION REPORT

OF

GILLIAM TOWNSHIP

JASPER COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

05/14/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Fund Sources and Uses	6
Federal and State Agencies - Compliance Requirements	6
Disbursement Documentation	7
Office Rent Not Included on 1099's - Compliance Requirements.....	7
Mileage Reimbursement.....	8
Prescribed Forms	8
Exit Conference.....	9

OFFICIALS

Office

Official

Term

Trustee

Dennis Wireman

01-01-03 to 12-31-10

Chairman of the
Township Board

Virginia Delgado

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GILLIAM TOWNSHIP, JASPER COUNTY, INDIANA

We have examined the financial information presented herein of Gilliam Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 5, 2008

GILLIAM TOWNSHIP, JASPER COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 159,175	\$ 39,255	\$ 28,606	\$ 169,824
Dog	300	45	24	321
Township Assistance	25,511	7,144	317	32,338
Firefighting	42,877	18,230	10,843	50,264
Levy Excess	-	607	-	607
Totals	<u>\$ 227,863</u>	<u>\$ 65,281</u>	<u>\$ 39,790</u>	<u>\$ 253,354</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 169,824	\$ 18,160	\$ 20,691	\$ 167,293
Dog	321	37	-	358
Township Assistance	32,338	-	1,044	31,294
Firefighting	50,264	-	5,396	44,868
Levy Excess	607	-	-	607
Rainy Day	-	2,269	-	2,269
Totals	<u>\$ 253,354</u>	<u>\$ 20,466</u>	<u>\$ 27,131</u>	<u>\$ 246,689</u>

The accompanying notes are an integral part of the financial information.

GILLIAM TOWNSHIP, JASPER COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

GILLIAM TOWNSHIP, JASPER COUNTY
EXAMINATION RESULTS AND COMMENTS

FUND SOURCES AND USES

The Commercial Vehicle Excise Tax distributed by the County in December 2007 for the Township Assistance and Firefighting Funds were incorrectly recorded in the General Fund. The Township Assistance and Firefighting funds should have received \$32.80 and \$54.00, respectively.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

The Township failed to report all of the compensation paid to the Trustee and the Township Clerk for 2006 and 2007 on their Employer's Annual Federal Tax Return, Form 944. Withholdings and employer's share of Social Security and Medicare were underpaid by \$474.30 for 2006 and \$489.60 for 2007.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform compliance Guidelines Manual for Townships, Chapter 13)

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Page 13)

GILLIAM TOWNSHIP, JASPER COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICE RENT NOT INCLUDED ON 1099'S – COMPLIANCE REQUIREMENTS

The Township did not comply with directives of Internal Revenue service by not reporting miscellaneous income for office rent received by the Township Clerk totaling \$1,200 for both years of the examination.

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GILLIAM TOWNSHIP, JASPER COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

MILEAGE REIMBURSEMENT

The Trustee was reimbursed for mileage without filing Mileage Claim, General Form 101. The form submitted for reimbursement was a summary and not a detail of the daily business trips made.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The following prescribed forms were not in use or not use in the manner prescribed:

Township Form 1C, Financial and Appropriation Record
Township Form 17, Resolution Recommending Salaries of Township
Officers and Employees

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GILLIAM TOWNSHIP, JASPER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2008, with Dennis Wireman; Trustee; and Shirley Wireman, Clerk. The officials concurred with our findings.