



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B43979

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](http://www.in.gov/sboa)

July 31, 2014

TO: THE OFFICIALS OF SPARTA TOWNSHIP, NOBLE COUNTY, INDIANA

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

- Depository reconciliations of the fund balances to the bank account balances were not presented for the review period.
- The Annual Financial Reports 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>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Disbursements	\$ 48,421.92	\$ 33,731.33	\$ 14,690.59
		Ending balance	4,932.08	19,622.27	(14,690.19)
	Fire Fighting	Receipts	105,428.83	117,665.12	(12,236.29)
		Ending balance	103,977.87	116,214.16	(12,236.29)
	Fire Debt	Receipts	50,231.69	50,315.24	(83.55)
		Ending balance	9,105.18	9,188.73	(83.55)
2012	Township	Receipts	36,800.52	37,741.74	(941.22)
		Disbursements	34,288.47	35,446.79	(1,158.32)
		Ending balance	22,134.32	21,917.22	217.10
2013	Township	Disbursements	34,830.37	34,893.22	(62.85)
		Ending balance	24,100.42	24,037.57	62.85

- The Township did not adopt salary resolutions establishing salaries of Township officials and employees for 2010, 2011, 2012, or 2013.
- Payments made for mowing, club sponsorship, and park maintenance were not supported by written contracts.
- The Township did not have Nepotism or Contracting Policies for 2012 or 2013. Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) and Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.

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 June 26, 2014, with Gary Lawrence, Trustee.

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