Rutland Township
16N491 Powers Road, Gilberts, Il 60136
Board Meeting Minutes, August 13, 2013

The Rutland Township Board held its monthly meeting at the town hall on Tuesday, August 13, 2013. At 7:00 PM, Supervisor Sanders led us in the Pledge of Allegiance to the Flag and called the meeting to order. Roll call showed the following members present: Supervisor Sanders, Clerk Iverson, Trustees Schuldt, Payson, Bulmahn, and Carlsen. Assessor Siers and T.R.Smith, our Kane County Rep. were also present.

The 2013 Audit Report had been submitted to the Board, and was discussed by the Auditor, Maggie Pasalich. She suggested that we keep track of all monies for the Motor Fuel Tax that Kane County receives for us. Trustee Carlsen said we should pass a Resolution, in the next meeting, to make sure this is received, and properly accounted for. The Trustees asked questions about adjustments that were made and what internal controls were suggested. Ms. Pasalich said the Auditors, although they would like to see some internal controls, do not test for internal controls, and weren't engaged to do so. However, in their letter to the Board of Trustees, dated July 3, 2013, they listed seven deficiencies in internal controls that they consider significant. The majority of their letter addressed these significant deficiencies. The two-page letter is included at the end of these minutes marked as Exhibits A & B.

Grafton Township Supervisor James Kearns, and Trustee Joe Holtorf were present to provide us with information on the Grafton Township Busing Program. This was discussed by all, bringing up the pros and cons of the program. It was noted that there is no Means Testing done to prove need, and therefore is open to anyone who wants a ride, but may not need it. We were told that people were brought to stores for miscellaneous shopping, grocery shopping, doctor appointments, social outings, etc. Supervisor Kearns noted the amount it costs to provide one ride is $33, and that as little as $2 may be collected for the ride. Many asked why the ride cost was so low when they are losing so much money? It was also duly noted that this would only provide for those Rutland Township residents who reside in Sun City. No other Rutland residents would be covered. The discussion continued for thirty minutes.

The Supervisor asked T.R.Smith if there was anything he need to tell us, and he mentioned a few things happening in Kane County.

Minutes
There were no additions or corrections to the minutes of July 9, 2013. A motion was made by Trustee Payson and seconded by Trustee Carlsen to accept the minutes. Roll call vote: Trustees Payson, Carlsen, Schuldt, Bulmahn, and Supervisor Sanders – ALL yes. Motion carried

Public Comments
Resident Donna Tessendorf made two brief comments to the Board.

Financial Reports
The Township Financial Reports for three months ending June 30, 2013, had been presented to the Trustees. With no discussion or questions a motion was made by Trustee Payson, and seconded by Trustee Bulmahn to approved the financial reports. Roll call vote: Trustees Payson, Bulmahn, Schuldt, Carlson and Supervisor Sanders – ALL yes. Motion carried. The Road District Financial Reports for three months ending June 30, 2013, had been presented to the Trustees. With no questions a motion was made by Trustee Bulmahn and seconded by Trustee Payson to approve the reports. Roll call vote:

Trustees Bulmahn, Payson, Schuldt, Carlsen, and Supervisor Sanders – ALL yes. Motion carried. Presentation of Township and Road District Financial Reports for the four months ending July 31, 2013. The reports were discussed, with Trustee Bulmahn requesting clarification on some.

Bills and Salaries

The Trustees audited the bills and salaries for the Township. A motion was made by Trustee Carlsen and seconded by Trustee Bulmahn to accept and authorize payment of the bills in the amount of $3,100.00, and salaries in the amount of $12,027.02, for a total of $15,127.13. Roll call vote: Trustees Carlsen, Bulmahn, Schuldt, Payson and Supervisor Sanders – ALL yes. Motion carried. The Trustees audited the bills and salaries for the Road District. A motion was made by Trustee Payson and seconded by Trustee Bulmahn to accept and authorize payment of the bills in the amount of $2,879.29 and salaries in the amount of $8,165.76, for a total of $11,045.05. Roll call vote: Trustees Payson, Bulmahn, Schuldt, Carlsen and Supervisor Sanders – ALL yes. Motion carried.

Other Business Matters

Supervisor Sanders reported that Township Attorney Ron Roeser told her the responsibility for repairs and maintenance on the Road District building can be paid by the Township or the Road District. It would just need to be in the designated budget.

The Board decided to move ahead with the repairs on the Assessor's Office building, using Darrel Nyman. The Supervisor will check to make sure he is insured. A motion was made by Supervisor Sanders and seconded by Trustee Carlsen to have the repairs done. Roll call vote: Supervisor Sanders, Trustees Carlsen, Schuldt, Payson and Bulmahn – ALL yes. Motion carried.

The Board further discussed the Grafton Township Busing Program and agreed to put it on the Agenda for the next Board Meeting.

It was decided to obtain more information about the Mileage Tracking System and put it on the Agenda for the next Board Meeting. This brought up the fact that the change from mileage allowance to mileage reimbursement had never been voted on, and will be discussed at the next meeting.

The Board discussed the filing of amended taxes and the 1099s that hadn't been filed, and agreed it should be done, as quickly as possible. A motion to do so was made by Trustee Payson and seconded by Trustee Bulmahn. Roll call vote: Trustees Payson, Bulmahn, Schuldt, Carlsen, and Supervisor Sanders – ALL yes. Motion carried.

Reports by Officials

The Assessor let us know that the Assessments would be going out this month. She also had a comment about the mileage reimbursements vs. mileage allowance.

Trustee Carlsen requested that the Motor Vehicle Tax be on the Agenda for the next Board Meeting.

Supervisor Sanders made comments about what she perceived as mistrust by some.

Trustee Document Signing

Adjournment

At 8:53 PM Trustee Payson made a motion to adjourn, Trustee Schuldt seconded. Voice Vote: ALL yes.

Exhibit A

TIGHE, KRESS & ORR
Certified Public Accountants

July 3, 2013

To the Board of Trustees of
Rutland Township

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutland Township (the Township) as of and for the year ended March 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal controls that we considered to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Rutland Township's internal control to be significant deficiencies:

Auditors List

1. There is a lack of segregation of duties for the recording and custody of assets, which includes:
    a. bank reconciliations are performed by the same person who is in charge of billing, accounts payable and receipts
    b. bank reconciliations are not reviewed and approved by someone other than the preparer
    c. checks are written and signed by the same person
    d. cash transactions are recorded by the same person receiving the cash or preparing the deposit
    e. employees listed in Quickbooks payroll system are modified by the same person who generates payroll disbursements

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2. As apart of our audit procedures we recorded material adjusting journal entries to the Township's financial records. In preparing these entries the auditor became part of the Township's internal control process and the auditor cannot be considered part of the Township's internal control process in accordance with auditing standards generally accepted in the United States of America, therefore this is considered a significant deficiency.
3. During the audit process we prepared the Township's financial statements. In preparing the financial statements the auditor became a part of the Township's internal control process, and in accordance with auditing standards generally accepted in the United States of America, the auditor cannot be part of the Township's internal controls. However, we do acknowledge that the Board of Trustees and Management do have financial expertise to review and approve the financial statements. Therefore, this is considered a significant deficiency.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Tighe Kress & Orr, PC

Tighe, Kress & Orr, PC
Elgin, Illinois

RESPECTFULLY SUBMITTED,

Linda K. Iverson, Clerk

Margaret Sanders, Supervisor

Fred Bulmahn, Trustee

Charleen Carlsen, Trustee

John Payson, Trustee

Steve Schuldt, Trustee