

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

EXAMINATION REPORT
OF
WASHINGTON TOWNSHIP
WHITLEY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/15/2010

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 |
| Supplementary Information: | |
| Schedule of Long-Term Debt | 6 |
| Examination Results and Comments: | |
| Annual Report..... | 7 |
| Deposit of Public Funds..... | 7 |
| Contracts | 7 |
| Capital Assets Record | 7-8 |
| Official Bond | 8 |
| Conflict of Interest Disclosure..... | 8-9 |
| Exit Conference..... | 10 |

OFFICIALS

Office

Official

Term

Trustee

Kevin E. Bollinger

01-01-07 to 12-31-10

Chairman of the
Township Board

Dan L. Michel

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of Washington Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 18, 2010

WASHINGTON TOWNSHIP, WHITLEY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 66,880 | \$ 32,142 | \$ 42,754 | \$ 56,268 |
| Township Assistance | 9,173 | - | 600 | 8,573 |
| Firefighting | 47,044 | 24,345 | 34,798 | 36,591 |
| Park and Recreation | 14,260 | 5,196 | 3,819 | 15,637 |
| Fire Building Debt | 4,221 | 13,532 | 13,732 | 4,021 |
| Cumulative Fire | 29,618 | 56,274 | 39,819 | 46,073 |
| Rainy Day | - | 5,557 | 969 | 4,588 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Totals | <u>\$ 171,196</u> | <u>\$ 137,046</u> | <u>\$ 136,491</u> | <u>\$ 171,751</u> |
| | | | | |
| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
| Governmental Funds: | | | | |
| Township | \$ 56,268 | \$ 39,058 | \$ 48,369 | \$ 46,957 |
| Township Assistance | 8,573 | 298 | 350 | 8,521 |
| Firefighting | 36,591 | 25,413 | 33,500 | 28,504 |
| Park and Recreation | 15,637 | 5,634 | 3,728 | 17,543 |
| Fire Building Debt | 4,021 | 11,085 | 13,732 | 1,374 |
| Cumulative Fire | 46,073 | 45,986 | 816 | 91,243 |
| Rainy Day | 4,588 | 4,128 | - | 8,716 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Totals | <u>\$ 171,751</u> | <u>\$ 131,602</u> | <u>\$ 100,495</u> | <u>\$ 202,858</u> |

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

WASHINGTON TOWNSHIP, WHITLEY 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.

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.

WASHINGTON TOWNSHIP, WHITLEY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|--------------------------|--------------------------------|---|
| Governmental activities: | | |
| Loan Payable | \$ 43,280 | \$ 13,732 |

WASHINGTON TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An annual report was not prepared or filed with the State Examiner for the year 2009.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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)

DEPOSIT OF PUBLIC FUNDS

There were instances where deposits were not made on a timely basis. On one occasion, tax distributions from May 2009 and June 2009 were not deposited until December 2009.

IC 5-13-6-1(c) states in part:

"The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

CONTRACTS

The Washington Township Volunteer Fire Department was paid \$30,200 in 2008 and \$33,500 in 2009 to provide fire protection for the Township. A contract for fire protection service was not available for examination. A similar comment appeared in prior Report B33477.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSETS RECORD

The Township does not maintain a capital assets record. A similar comment appeared in prior Report B33477.

WASHINGTON TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

An official bond for the Trustee was not filed in the Office of the County Recorder. A similar comment appeared in prior Report B33477.

IC 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

CONFLICT OF INTEREST DISCLOSURE

Diane Bollinger, Township Clerk, is the spouse of Kevin E. Bollinger, Township Trustee. A Uniform Conflict of Interest Disclosure Statement was not filed. A similar comment appeared in prior Report B33477.

IC 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

WASHINGTON TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

WASHINGTON TOWNSHIP, WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2010, with Kevin E. Bollinger, Trustee.
The official concurred with our findings.