

B36904

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

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



FILED
05/12/2010

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
Examination Results and Comments: Annual Report.....	6
Federal and State Agencies - Compliance Requirements	6-7
Board Minutes.....	7
Prescribed Forms	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Clyde J. Randall	01-01-07 to 03-08-08
	Suzi Randall	03-09-08 to 06-30-09
	David Wunderlich	07-01-09 to 12-31-10
Chairman of the Township Board	Gayle Campbell	01-01-08 to 12-31-08
	Todd Bowers	01-01-09 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, DEARBORN 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.

STATE BOARD OF ACCOUNTS

April 12, 2010

WASHINGTON TOWNSHIP, DEARBORN 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	\$ 16,227	\$ 16,762	\$ 11,868	\$ 21,121
Township Assistance	14,025	3,855	3,146	14,734
Firefighting	<u>92,033</u>	<u>33,347</u>	<u>14,000</u>	<u>111,380</u>
Totals	<u>\$ 122,285</u>	<u>\$ 53,964</u>	<u>\$ 29,014</u>	<u>\$ 147,235</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 21,121	\$ 22,458	\$ 11,388	\$ 32,191
Township Assistance	14,734	2,233	2,406	14,561
Firefighting	<u>111,380</u>	<u>38,187</u>	<u>26,288</u>	<u>123,279</u>
Totals	<u>\$ 147,235</u>	<u>\$ 62,878</u>	<u>\$ 40,082</u>	<u>\$ 170,031</u>

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

WASHINGTON TOWNSHIP, DEARBORN 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, 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.

WASHINGTON TOWNSHIP, DEARBORN COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Cash Balance at January 1, 2009, reported on the 2009 Annual Report (Township Form 15) for the Township Fund, Township Assistance Fund, and Firefighting Fund did not agree with the January 1, 2009 Cash Balance in the Financial and Appropriation Record (Township Form 1C).

Also, the 2009 Township Annual Report (Form 15) was not filed with the Indiana State Board of Accounts.

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)

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The following deficiencies were noted in a review of payroll processing:

1. Compensation paid to the Township Board Members was not reported on Internal Revenue Form W-2.
2. Compensation paid to the Township Board members had no payroll withholdings deducted.

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.

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

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, Chapter 13)

A similar comment was reported in prior Report B34046.

BOARD MINUTES

Minutes of meetings of the Township Board for the year 2008 were not presented for examination.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

A similar comment was reported in prior Report B34046.

PRESCRIBED FORMS

The following items were noted in the use of Township forms:

1. Beginning in July 2009, the Financial and Appropriation Record (Township Form 1C) was not properly posted. Receipts, disbursements, and balances were recorded in the "Total All Funds" column only; however, the transactions were not posted to the appropriate Township Fund, Township Assistance Fund, or Firefighting Funds column. A computerized spreadsheet was maintained by the Trustee in lieu of the Financial and Appropriation Record to calculate individual fund balances.
2. Prescribed Township Form 17 (Resolution Establishing Salaries for Officials and Employees) for the years 2008 and 2009 was not presented for examination.

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)

A similar comment was reported in prior Report B34046.

WASHINGTON TOWNSHIP, DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with David Wunderlich, Trustee.
The official concurred with our findings.