

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

WASHINGTON TOWNSHIP

STARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
12/11/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Karen S. White Michelle R. Kemble	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Chairman of the Township Board	Betty Lenig Shirley Short	01-01-10 to 12-31-10 01-01-11 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Washington Township (Township), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 11, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

WASHINGTONTOWNSHIP, STARKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 21,493	\$ 48,092	\$ 42,933	\$ 26,652
Township Assistance	3,920	6,735	4,945	5,710
Fire Fighting	21,383	62,739	58,128	25,994
Cumulative Fire	63,705	12,765	26,559	49,911
Dog	560	-	-	560
Fire Debt	2,014	85,479	37,855	49,638
Levy Excess	-	196	-	196
Rainy Day	160	716	-	876
Totals	<u>\$ 113,235</u>	<u>\$ 216,722</u>	<u>\$ 170,420</u>	<u>\$ 159,537</u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON TOWNSHIP, STARKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 26,652	\$ 38,236	\$ 44,157	\$ 20,731
Township Assistance	5,710	10,243	3,934	12,019
Fire Fighting	25,994	57,680	54,988	28,686
Rainy Day	876	-	810	66
Levy Excess	196	-	196	-
Cumulative Fire	49,911	11,809	-	61,720
Dog	560	-	560	-
Fire Debt	49,638	37,786	37,855	49,569
Totals	<u>\$ 159,537</u>	<u>\$ 155,754</u>	<u>\$ 142,500</u>	<u>\$ 172,791</u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON TOWNSHIP, STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

WASHINGTON TOWNSHIP, STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are

WASHINGTON TOWNSHIP, STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

WASHINGTON TOWNSHIP, STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

WASHINGTON TOWNSHIP, STARKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Dog	Fire Debt	Levy Excess	Rainy Day	Totals
Cash and investments - beginning	\$ 21,493	\$ 3,920	\$ 21,383	\$ 63,705	\$ 560	\$ 2,014	\$ -	\$ 160	\$ 113,235
Receipts:									
Taxes	35,279	6,735	60,433	12,765	-	85,479	196	716	201,603
Charges for services	12,700	-	-	-	-	-	-	-	12,700
Other receipts	113	-	2,306	-	-	-	-	-	2,419
Total receipts	<u>48,092</u>	<u>6,735</u>	<u>62,739</u>	<u>12,765</u>	<u>-</u>	<u>85,479</u>	<u>196</u>	<u>716</u>	<u>216,722</u>
Disbursements:									
Personal services	20,783	-	-	-	-	-	-	-	20,783
Supplies	1,003	-	3,634	-	-	-	-	-	4,637
Other services and charges	21,147	13	54,494	-	-	37,855	-	-	113,509
Capital outlay	-	-	-	26,559	-	-	-	-	26,559
Other disbursements	-	4,932	-	-	-	-	-	-	4,932
Total disbursements	<u>42,933</u>	<u>4,945</u>	<u>58,128</u>	<u>26,559</u>	<u>-</u>	<u>37,855</u>	<u>-</u>	<u>-</u>	<u>170,420</u>
Excess (deficiency) of receipts over disbursements	<u>5,159</u>	<u>1,790</u>	<u>4,611</u>	<u>(13,794)</u>	<u>-</u>	<u>47,624</u>	<u>196</u>	<u>716</u>	<u>46,302</u>
Cash and investments - ending	<u>\$ 26,652</u>	<u>\$ 5,710</u>	<u>\$ 25,994</u>	<u>\$ 49,911</u>	<u>\$ 560</u>	<u>\$ 49,638</u>	<u>\$ 196</u>	<u>\$ 876</u>	<u>\$ 159,537</u>

WASHINGTON TOWNSHIP, STARKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Township	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Dog	Fire Debt	Totals
Cash and investments - beginning	\$ 26,652	\$ 5,710	\$ 25,994	\$ 876	\$ 196	\$ 49,911	\$ 560	\$ 49,638	\$ 159,537
Receipts:									
Taxes	15,255	10,243	57,680	-	-	11,809	-	37,786	132,773
Intergovernmental	14,999	-	-	-	-	-	-	-	14,999
Charges for services	1,350	-	-	-	-	-	-	-	1,350
Other receipts	6,632	-	-	-	-	-	-	-	6,632
Total receipts	<u>38,236</u>	<u>10,243</u>	<u>57,680</u>	<u>-</u>	<u>-</u>	<u>11,809</u>	<u>-</u>	<u>37,786</u>	<u>155,754</u>
Disbursements:									
Personal services	15,502	-	-	-	-	-	-	-	15,502
Supplies	1,335	-	3,502	-	-	-	-	-	4,837
Other services and charges	27,228	3,934	51,486	810	-	-	-	37,855	121,313
Capital outlay	92	-	-	-	-	-	-	-	92
Other disbursements	-	-	-	-	196	-	560	-	756
Total disbursements	<u>44,157</u>	<u>3,934</u>	<u>54,988</u>	<u>810</u>	<u>196</u>	<u>-</u>	<u>560</u>	<u>37,855</u>	<u>142,500</u>
Excess (deficiency) of receipts over disbursements	<u>(5,921)</u>	<u>6,309</u>	<u>2,692</u>	<u>(810)</u>	<u>(196)</u>	<u>11,809</u>	<u>(560)</u>	<u>(69)</u>	<u>13,254</u>
Cash and investments - ending	<u>\$ 20,731</u>	<u>\$ 12,019</u>	<u>\$ 28,686</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 61,720</u>	<u>\$ -</u>	<u>\$ 49,569</u>	<u>\$ 172,791</u>

WASHINGTON TOWNSHIP, STARKE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Fire Truck	\$ 221,768	\$ 37,856

WASHINGTON TOWNSHIP, STARKE COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

No December 31, 2011 reconciliation of ledger balances to bank balances was presented for our examination. The December 31, 2010 reconciliation shows no difference.

The January through November 2011 bank statements show check marks next to amounts indicating that reconciliations are being attempted. The December 2011 bank statement shows no marks. Seven of the year 2011 bank statements show "balanced", which is handwritten on the front of the bank statement. The August 2011 bank statement shows, handwritten, "off 53.50". No 2011 monthly reconciliations were presented for our examination.

We attempted to reconcile the December 31, 2011 bank balance to the ledger by comparing only the December 2011 bank transactions to the ledger transactions. This would not take into account prior months' outstanding reconciliation items. In our attempt to reconcile, we calculated that the net bank balance of \$172,763 compared to the ledger balance of \$173,767, a difference of \$1,004.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The December 31, 2011 Fire Fighting Fund balance shown in the Township's Financial and Appropriation Record, \$21,316, did not agree with the Township's Gateway annual report, \$28,686. We added the monthly totals in the Record and determined that the Record had mathematical errors and that the annual report was correct for this fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

CAPITAL ASSET RECORDS

The Township's Gateway annual report showed no capital assets. No capital asset inventory was presented for examination. The agreement with the Volunteer Fire Department showed that the Township owned the fire vehicles and equipment. The Township also owned the community center/fire station building.

WASHINGTON TOWNSHIP, STARKE 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 Asset 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)

TIMELY RECORDKEEPING

We noted several instances in which monthly County Adjusted Gross Income Tax (CAGIT) payments from the County Auditor were not posted timely, some were posted three months late. For example, the January 13, 2011 and February 8, 2011 CAGIT payments, each in the amount of \$1,499.90, were not posted to the Financial and Appropriation Record until March 25, 2011. The August 9, 2011, September 15, 2011, October 13, 2011, November 4, 2011, and December 8, 2011 CAGIT payments, each in the amount of \$1,499.90, were not posted until October 20, 2011, December 31, 2011 (2), and February 2012 (2).

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

We noted several instances where the Trustee did not deposit County Adjusted Gross Income Tax (CAGIT) payments from the County Auditor timely, some were deposited three months late. For example, the January 13, 2011 and February 8, 2011 CAGIT payments, each in the amount of \$1,499.90, were not deposited until March 25, 2011. The August 9, 2011, September 15, 2011, October 13, 2011, November 4, 2011, and December 8, 2011 CAGIT payments, each in the amount of \$1,499.90, were not deposited until October 20, 2011, December 31, 2011 (2), and February 2012 (2).

Indiana Code 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. . . ."

RECEIPT ISSUANCE

During 2011, there were several cemetery lot sales or community center rental amounts posted to the Financial and Appropriation Record (Record) but no receipts were issued. During 2011, 10 receipts were issued by the Trustee in which the amounts were posted as a receipt in the Record and there were an additional five amounts posted as receipts in the Record but no receipts were issued. We were unable to determine if all money collected was posted to the Record and deposited.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2011	<u>\$ 3,047</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

COMPENSATION AND BENEFITS

The Township Board did not approve a salary ordinance for either 2010 or 2011. The Trustee, Clerk, and three Board members were all paid salaries that did not exceed the budgeted amounts for 2010 and 2011.

Indiana Code 36-6-6-10(b) states: "The township legislative body shall fix the: (1) salaries; (2) wages; (3) rates of hourly pay; and (4) remuneration other than statutory allowances; of all officers and employees of the township."

Indiana Code 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the township board should RECORD THE SALARIES SO FIXED IN THE TOWNSHIP BOARD MINUTES. A type of format for recording these salaries should be the existing format of Township Form No. 17. We recommend the board set the salaries of township officials and employees, in conjunction with the preparation and completion of the township budget.

Township Form No. 17 (Revised 2008) has been prescribed to fulfill the requirements of the statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

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

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not issue W-2s for the Township Board members' 2011 salaries. Each Board member was paid \$900 during 2011.

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)

COLLECTION OF AMOUNTS DUE

Receipt No. 1412 shows that \$200 was unpaid and due. The Trustee was unable to show us that this \$200 was collected and was unable to provide documentation showing her efforts to collect this amount due.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The Trustee, Michelle R. Kemble, did not obtain an official bond for the period January 1, 2011 to March 11, 2012. She did obtain an official bond for the period March 12, 2012 to January 1, 2016.

Indiana Code 5-4-1-9 states: "An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office."

WASHINGTON TOWNSHIP, STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2012, with Michelle R. Kemble, Trustee, and Angela Jesuit, Township Board member. The officials concurred with our findings.