



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B44261

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October 2, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Washington Township (Township), for the period of January 1, 2011 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 2011 and later 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.

***Unresolved Comments From Prior Report***

- *Condition of Records*
  - *The following deficiency relating to the recordkeeping was noted. A similar comment appeared in the prior two Reports B36748 and B39336. There were a considerable number of posting errors. These errors mainly had to deal with the posting of the salary payments; where only the net pay would be posted initially, the gross amount would be recorded; however, the balances would not reflect the adjustment.*
- *Deposit of Public Funds*
  - *Receipts were deposited later than the first and fifteenth of the month. In 2011, the Township deposited and posted tax distributions for January 2011 through August 2011 on August 19, 2011. In 2012, the Township deposited and posted tax distributions for September 2011 through December 2011 on March 26, 2012. Also on March 26, 2012, the Township deposited and posted tax distributions for January 2012 through March 2012. On April 11, 2012, the December 2011 Property Tax Settlement was deposited and posted to the ledger.*

- Official Bond
  - A similar comment appeared in the prior Report B39336. The insured amount on the current Trustee official bond was \$15,000, which is less than the required amount per Indiana Code 5-4-1-18.
- Supporting Documentation
  - No payments were observed which contained adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. A similar comment appeared in the prior two Reports B36748 and B39336.

**Current Period Comments**

- The Annual Financial Report 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>Years</u>	<u>Fund</u>	<u>(Beg Bal, Receipt, Disb, End Bal) Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Rec	\$ 50,506.30	\$ 47,810.62	\$ (2,695.68)
2011	Township	Disb	42,995.81	42,755.33	(240.48)
2011	Township	End Bal	132,385.48	133,587.25	1,201.77
2011	Township Assistance	Disb	18,459.18	18,123.37	(335.81)
2012	Township	End Bal	191,402.62	192,296.38	893.76
2013	Township	Disb	26,685.07	30,966.52	4,281.45
2013	Township	End Bal	227,499.55	228,393.31	893.76

- The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2011, 2012, or 2013.
- The records presented for review indicated the following disbursements in excess of budgeted appropriations.


<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Firefighting	\$ 29,491.21
2012	Firefighting	36,784.00
2013	Firefighting	36,785.00

- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 and 2013.
- Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.
- The Annual Financial Report for 2011, 2012, and 2013 was not filed electronically until May 7, 2012, April 29, 2013, and May 28, 2014, respectively, which was 67, 59, and 88 days past the due date.

- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011, 2012, and 2013. The report was filed on March 14, 2012, February 6, 2013, and March 13, 2014, respectively, which was 43, 6, and 41 days past the due date.*

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 23, 2014, with Brian A. Stephens, Trustee.

  
Paul D. Joyce, CPA  
State Examiner