



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44315

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 16, 2014

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, RUSH 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 prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township 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 Reports

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for the 36 months of the review period.*
- *As of December 31, 2013, the bank account reconciliation identified a cash short in the amount of \$269.87.*
- *Employees of the Township were paid without the Township withholding payroll taxes.*
- *W-2s were not issued for all Township employees.*
- *The Township donated public funds in the amount of \$1,000 to Mays Elementary Parent Teacher Organization in 2011 and 2012.*

- The Trustee's Surety Bond was insufficient per the Indiana code because it did not meet the annual minimum coverage required.
- Payments made for mowing were not supported by a written contract. Payments were also made to Raleigh Community Club in 2011, 2012, and 2013 for community services without a contract.

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>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Beginning Balance	\$ 59,464.39	\$ 59,412.57	\$ 51.82
2011	Fire Fighting	Beginning Balance	811.60	780.60	31.00
2011	Township	Ending Balance	51,658.12	51,656.93	1.19
2011	Fire Fighting	Ending Balance	4,123.60	4,092.60	31.00
2012	Township	Beginning Balance	51,658.12	51,656.93	1.19
2012	Fire Fighting	Beginning Balance	4,123.60	4,092.60	31.00
2013	Township	Ending Balance	35,064.16	35,309.42	(245.26)

- 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	Township Assistance	\$ 1,278
2012	Township Assistance	2,305
2013	Township Assistance	966


- The following payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records:

<u>Check Number</u>	<u>Payee</u>	<u>Check Date</u>	<u>Check Amount</u>
779	Evelyn Ricker	01-19-11	\$ 125.00
1001	USPS	03-30-11	17.60
1004	Gobles Forms	04-09-11	95.50
1017	Mays PTO	10-14-11	1,000.00
1021	Raleigh Community Club	12-05-11	3,000.00
1037	Evelyn Ricker	01-27-12	135.00
1040	Mays PTO	05-07-12	1,000.00
1053	Raleigh Community Club	12-03-12	3,000.00
1066	USPS	03-18-13	18.40
1085	Mays PTO	11-13-13	1,000.00

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2011, 2012, or 2013.*
- *The Township did not present a Nepotism Policy for 2012 and 2013.*
- *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.*
- *The Township did not present a Contracting Policy for 2012 or 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 Township did not present a credit card policy approved by the Township Board.*
- *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, or 2013. The reports were filed on May 7, 2012, March 15, 2013, and February 3, 2014, which were 97, 43, and 3 days, respectively, past the due dates.*

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 4, 2014, with Eric Hale Elwell, Trustee.


Paul D. Joyce, CPA
State Examiner