



STATE OF INDIANA
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B44512

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November 21, 2014

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, DEARBORN 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, 2010 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 Report

- *As reported in the prior report, the compensation paid to Township Board members did not have any payroll withholdings deducted and Internal Revenue Service Form W-2 was not issued to each Township Board member. This condition continued during the years 2010, 2011, 2012, and 2013.*
- *As reported in the prior report, the Financial and Appropriation Record (Township Form 1C) was not being used after July 2009. A computerized spreadsheet was maintained by the Trustee in lieu of the Financial and Appropriation Record to calculate the Total All Funds cash balance and the individual funds' cash balances. The spreadsheet did record the receipts, disbursements, and balances in the "Total All Funds" column. The receipts, disbursements, and balances were also posted to the appropriate Township fund, Township Assistance fund, or Firefighting fund column. The spreadsheet did not show monthly or year-to-date totals for the receipts and disbursement for the Total All Funds or for the each individual fund. Also the spreadsheet did not show disbursements posted to budget*

categories for the Township fund, Township Assistance fund, or Firefighting fund as required in the Financial and Appropriation Record. The computerized spreadsheet continued to be used in 2010, 2011, 2012, and 2013, and is currently being utilized in 2014.

- Resolutions establishing salaries of Township officers and employees were not presented for review for 2010, 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.

Current Period Comments

- Bank reconciliations of the fund balances to the bank account balances were not presented for review for all 48 months during the review period. A comparison of the record transactions to the bank transactions showed the following:

1. Two checks written in 2010 totaling \$412 were not posted to the records.
2. An electronic withdraw dated February 1, 2012, totaling \$1,867.18 was not posted to the records.
3. A deposit dated April 19, 2012, for \$80 was not posted to the records.

In addition to the above reconciling items found, there were two county tax distribution checks totaling \$792.93 received by the Township in 2010 that were posted to the records, but were not deposited to the Township's bank account. On September 9, 2014, David Wunderlich, Trustee, stated that he had made a deposit of the \$792.93 in July 2010. David Wunderlich, Trustee, further stated that upon his inquiry with bank officials that the bank made a processing error and the Township's deposit was made to the wrong account. The depository corrected the processing error on September 12, 2014.

- The annual financial reports filed on Gateway for the year 2013 contained errors and did not properly reflect the financial activity of the Township as shown in the following schedule:

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2013	Township	Receipts	\$ 17,996.15	\$ 19,387.67	\$ (1,391.52)
2013	Township	Ending Balance	17,282.56	18,335.17	(1,052.61)
2013	Township Assistance	Ending Balance	28,444.39	29,119.67	(675.28)

- The financial institution did not return the actual cancelled checks or return an optical image of the front side of the checks nor the back side or endorsement side of the checks with the monthly bank statements for all the months during the review period.
- W-2s were not presented for review for the Township Trustee's wages for 2010, 2011, and 2013.
- The Trustee paid his quarterly the compensation in advance of the actual date the services were provided. For 2010, 2011, 2012, and 2013, the Trustee received his compensation on the first day of each quarter. The Trustee also paid the compensation of the Township Clerk in advance of the actual date the services were provided. For 2010 and 2011, the Township Clerk received her compensation on the first day of each quarter.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete. The Trustee only listed his compensation and did not include the Township Board for 2012.

- *The Township did not have the required reorganizational meeting to elect a chairman and secretary in accordance with Indiana Code 36-6-6-7 for 2010, 2011, 2012, and 2013.*
- *The Township did not have the required meeting to review and adopt the annual report in accordance with Indiana Code 36-6-6-9 for 2010, 2012, and 2013.*
- *The Township did not have a Nepotism Policy for 2012 or 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 December 31, 2013.*
- *The Township did not have a Contracting With a Unit Policy as required by Indiana Code 36-1-21-4 for 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 December 31, 2013.*
- *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 2010, 2011, and 2012. The reports were filed on August 8, 2011, February 2, 2012, and February 27, 2013, respectively, which was 189 days, 2 days, and 27 days past the due date, respectively.*

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 September 16, 2014, with David Wunderlich, Trustee. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner