



STATE OF INDIANA
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B47449

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December 30, 2016

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, CLARK 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, 2014, 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 auditing standards generally accepted in the United States of America. 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

- *Financial records presented were incomplete and not reflective of the activity of Washington Township. The records presented for the entire period did not provide sufficient information to establish beginning balances, receipts, disbursements, ending balances, or to determine the accuracy or correctness of the transactions.*

Some of the deficiencies noted are as follows:

- (1) Individual funds' cash balances were not determined, only the total all funds' cash balance.*
- (2) Receipts and Disbursements were not always posted to the correct fund or in the correct amount.*
- (3) Tax distributions received from the County were not recorded and deposited when received. Instead, tax distribution receipts were listed at the bottom of the ledger page much like a footnote, but not included in the ledger balance or deposited in the Township depository account.*

- Depository reconcilements were not presented for review.
- The Township did not present W-2s for all officials and employees for 2010, 2011, 2012, 2013, and 2014.
- Minutes of meetings of the governing body were not presented for 2010, 2011, 2012, 2013, and 2014. Without evidence of minutes of the meetings, we were unable to determine if a permanent record was maintained. We were also unable to determine that the board met to approve the Annual Financial Report as required under Indiana Code 36-6-4-12.
- The Township Board did not fix the salaries of the Township officials and employees for the years 2010, 2011, 2013, and 2014 as required by Indiana Code 36-6-6-10(b).

Current Period Comments

- The bank statements showed various electronic withdrawals being made. No resolution approved by the Township Board authorizing electronic withdrawals as required by Indiana Code 36-1-8-11.5 was presented.
- The Annual Financial Report (AFR) filed on Gateway for 2011, 2012, 2013, and 2014 did not match the Township's records.

Years	Fund	Category	Amount per AFR	Amount per Ledger	Difference
2011	Township	Beginning Balance	\$ 105,503.62	\$ 77,506.36	\$ 27,997.26
2011	Township Assistance	Beginning Balance	25,454.00	50,706.51	(25,252.51)
2011	Rainy Day	Beginning Balance	703.44	2,024.44	(1,321.00)
2011	Township	Receipts	23,450.77	8,745.56	14,705.21
2011	Township Assistance	Receipts	729.99	1,283.39	(553.40)
2011	Township	Disbursements	20,340.00	23,929.80	(3,589.80)
2011	Township Assistance	Disbursements	7,577.83	7,439.90	137.93
2011	Township	Ending Balance	108,614.39	62,322.12	46,292.27
2011	Township Assistance	Ending Balance	18,606.16	44,550.00	(25,943.84)
2011	Rainy Day	Ending Balance	703.44	2,024.44	(1,321.00)
2012	Township	Beginning Balance	108,614.39	62,322.12	46,292.27
2012	Township Assistance	Beginning Balance	18,606.16	44,550.00	(25,943.84)
2012	Rainy Day	Beginning Balance	703.44	2,024.44	(1,321.00)
2012	Township	Receipts	23,287.05	5,161.00	18,126.05
2012	Township Assistance	Receipts	523.29	-	523.29
2012	Township	Disbursements	34,333.39	31,928.49	2,404.90
2012	Township Assistance	Disbursements	5,440.19	5,044.80	395.39
2012	Township	Ending Balance	97,568.05	35,554.63	62,013.42
2012	Township Assistance	Ending Balance	13,689.26	39,505.20	(25,815.94)
2012	Rainy Day	Ending Balance	703.44	2,024.44	(1,321.00)
2013	Township	Beginning Balance	97,568.05	35,554.63	62,013.42
2013	Township Assistance	Beginning Balance	13,689.20	39,505.20	(25,816.00)
2013	Rainy Day	Beginning Balance	703.44	2,024.44	(1,321.00)
2013	Township	Receipts	21,025.52	10,545.83	10,479.69
2013	Township Assistance	Receipts	1,592.14	205.38	1,386.76
2013	Township	Disbursements	30,476.35	25,354.11	5,122.24
2013	Township Assistance	Disbursements	2,954.30	2,084.64	869.66
2013	Township	Ending Balance	88,117.22	20,746.34	67,370.88
2013	Township Assistance	Ending Balance	12,327.04	37,625.94	(25,298.90)
2013	Rainy Day	Ending Balance	703.44	2,024.44	(1,321.00)
2014	Township	Beginning Balance	88,117.22	20,746.34	67,370.88
2014	Township Assistance	Beginning Balance	12,327.10	37,625.94	(25,298.84)
2014	Rainy Day	Beginning Balance	703.44	2,024.44	(1,321.00)
2014	Township	Receipts	-	12,918.60	(12,918.60)
2014	Township Assistance	Receipts	-	538.54	(538.54)
2014	Township	Disbursements	34,568.43	29,958.90	4,609.53
2014	Township Assistance	Disbursements	3,371.14	2,627.42	743.72
2014	Township	Ending Balance	53,548.79	3,706.04	49,842.75
2014	Township Assistance	Ending Balance	8,955.96	35,537.06	(26,581.10)
2014	Rainy Day	Ending Balance	703.44	2,024.44	(1,321.00)

- Records presented for review indicated that the Township did not establish a budget or additional appropriations for 2010, 2011, 2012, 2013, and 2014.

<u>Years</u>	<u>Fund</u>	<u>Disbursements Without a Budget or Additional Appropriations</u>
2010	Township	\$ 12,107.03
2010	Township Assistance	1,025.00
2011	Township	23,929.80
2011	Township Assistance	7,439.90
2012	Township	31,928.49
2012	Township Assistance	5,044.80
2013	Township	25,354.11
2013	Township Assistance	2,084.64
2014	Township	29,958.90
2014	Township Assistance	2,627.42

- Receipts were not properly posted to the Township Ledger in 2011, 2012, 2013, and 2014. Distributions received from the County Auditor were held for long periods of time and in numerous instances not recorded in the year received; therefore, yearly financial information would not be accurate.
- Receipts were deposited later than the first and fifteenth of the month for 2011, 2012, 2013, and 2014. The County Auditor distributed monies to the Township monthly which was held by the Township for 8 to 1,066 days prior to deposit. The following schedule provides examples of the delays in depositing:

<u>Date Distributed</u>	<u>Amount Distributed</u>	<u>Required Date to be Deposited</u>	<u>Date Deposited</u>	<u>Amount Deposited</u>	<u>Approx. Days Held</u>
05-13-11	\$ 439.92	05-30-11	01-02-14	\$ 439.92	948
06-08-11	430.92	06-30-11	03-13-14	430.92	987
12-14-11	7,309.92	12-30-11	01-02-14	7,309.92	734
01-18-12	393.08	01-30-12	12-31-14	393.08	1,066
02-08-12	393.08	02-15-12	12-31-14	393.08	1,050
05-31-13	9,757.38	06-15-13	01-06-15	9,757.38	570
06-05-14	10,245.76	06-15-14	01-12-15	10,245.76	211
06-17-14	10,548.81	06-30-14	01-12-15	10,548.81	196
12-10-14	6,729.53	12-15-14	01-12-15	6,729.53	28

- The Township paid compensation to Township officials and employees in advance of the actual date the services were provided for the entire review period. Advance payments ranged from 8 days to 151 days prior to actual date of service.
- Members of the Township Board were paid without the Township withholding federal, state, and local taxes for the entire review period. The Trustee and Township Clerk were paid without the Township withholding federal, state, and local taxes during 2011, 2012, 2013, and 2014.
- Payments made for cemetery mowing were not supported by a written contract.

- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for 2012, 2013, and 2014. For these years, differences between the Form 100-R compensation reported and the actual compensation paid ranged from being under reported by \$1,076 to being over reported by \$977 for several employees.*
- *Township assistance payments were made without an Application for Township Assistance and without supporting documentation, such as receipts, invoices and other public records on file.*
- *During the review period, 52 disbursements were made from the Township Assistance Fund of which 39 did not include supporting documentation, 14 did not include an Application for Township Assistance and 45 did not include Township Assistance Purchase Orders.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Trustee was not properly bonded for part of the years 2011 and 2012, and all of 2013 and 2014. A bond was obtained covering the period of September 1, 2011 to September 1, 2012. The Trustee did not obtain an individual Surety Bond for the remaining months of 2011 and 2012 or the years of 2013 and 2014.*
- *The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2010, 2011, 2012, 2013, and 2014.*
- *The Township did not present a Nepotism Policy for 2012, 2013, and 2014.*
- *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, December 31, 2013, and December 31, 2014.*
- *The Township did not present a Contracting Policy for 2012, 2013, and 2014.*
- *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, December 31, 2013, and December 31, 2014.*
- *The Annual Financial Reports for 2010, 2011, 2012, and 2013, were not filed electronically until June 30, 2011, May 3, 2012, April 26, 2013, and June 2, 2014, which was 121 days, 63 days, 56 days and 93 days past the due date, respectively.*
- *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 2013. The reports for 2010, 2011, and 2013 were filed on March 6, 2012, March 5, 2012, and February 1, 2014, which is 399 days, 35 days and 1 day 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 November 1, 2016, with Austin Wiggman, Chairman of the Township Board, and Joseph Todd Webb, Trustee. Any Official Response attached to this letter was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner