

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
WASHINGTON TOWNSHIP
CLINTON COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/28/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert J. Stinson	01-01-03 to 12-31-06
Chairman of the Township Board	Carroll C. Lock	01-01-03 to 12-31-03
	Robert L. Timmons	01-01-04 to 12-31-04
	Jeffrey C. Sigler	01-01-05 to 12-31-05
	Carroll C. Lock	01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Washington Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion 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 schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 27, 2006

WASHINGTON TOWNSHIP, CLINTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 31,625	\$ 14,194	\$ 21,990	\$ 23,829
Dog	424	104	184	344
Township Assistance	7,007	466	568	6,905
Firefighting	26,660	6,163	14,076	18,747
Nonexpendable Cemetery Trust	10,000	-	-	10,000
Expendable Cemetery Trust	1,059	230	-	1,289
Levy Excess	4,821	3,897	4,821	3,897
Totals	<u>\$ 81,596</u>	<u>\$ 25,054</u>	<u>\$ 41,639</u>	<u>\$ 65,011</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 23,829	\$ 29,316	\$ 19,269	\$ 33,876
Dog	344	164	44	464
Township Assistance	6,905	2,153	829	8,229
Firefighting	18,747	20,200	11,750	27,197
Rainy Day	-	1,135	-	1,135
Nonexpendable Cemetery Trust	10,000	-	-	10,000
Expendable Cemetery Trust	1,289	150	600	839
Levy Excess	3,897	-	3,897	-
Totals	<u>\$ 65,011</u>	<u>\$ 53,118</u>	<u>\$ 36,389</u>	<u>\$ 81,740</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 33,876	\$ 19,835	\$ 21,721	\$ 31,990
Dog	464	113	230	347
Township Assistance	8,229	1,488	2,439	7,278
Firefighting	27,197	12,032	27,072	12,157
Rainy Day	1,135	-	-	1,135
Nonexpendable Cemetery Trust	10,000	-	-	10,000
Expendable Cemetery Trust	839	150	-	989
Levy Excess	-	688	-	688
Totals	<u>\$ 81,740</u>	<u>\$ 34,306</u>	<u>\$ 51,462</u>	<u>\$ 64,584</u>

The accompanying notes are an integral part of the schedules.

WASHINGTON TOWNSHIP, CLINTON COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

WASHINGTON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

The Township paid \$3,600 for rent to the Trustee in 2003, 2004, and 2005. There were no Federal Form 1099's issued for these payments. The W-2's for the Trustee in 2003, 2004, and 2005 were for the amount of \$4,200 when they should have been \$4,800. The taxes on the Trustee W-2's showed \$260.40 for Social Security and \$60.92 for Medicare. The correct amounts deducted from paychecks and paid to the Internal Revenue Service were \$297.60 for Social Security and \$69.60 for Medicare.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WASHINGTON TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2006, with Robert J. Stinson, Trustee. The official concurred with our finding.