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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
WASHINGTON TOWNSHIP  
SHELBY COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/27/2010



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OFFICIALS

Office

Official

Term

Trustee

Michael Cochran

01-01-07 to 12-31-10

Chairman of the  
Township Board

Netta Jean Tennell

01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Washington Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 1, 2010

WASHINGTON TOWNSHIP, SHELBY COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 698	\$ 17,541	\$ 16,828	\$ 1,411
Township Assistance	3,903	928	391	4,440
Firefighting	9,106	7,839	12,000	4,945
	<u>13,707</u>	<u>26,308</u>	<u>29,219</u>	<u>10,796</u>
Totals	<u>\$ 13,707</u>	<u>\$ 26,308</u>	<u>\$ 29,219</u>	<u>\$ 10,796</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 1,411	\$ 16,033	\$ 17,444	\$ -
Township Assistance	4,440	616	1,526	3,530
Firefighting	4,945	5,702	9,000	1,647
Rainy Day	-	617	341	276
	<u>10,796</u>	<u>22,968</u>	<u>28,311</u>	<u>5,453</u>
Totals	<u>\$ 10,796</u>	<u>\$ 22,968</u>	<u>\$ 28,311</u>	<u>\$ 5,453</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ -	\$ 29,736	\$ 18,927	\$ 10,809
Township Assistance	3,530	1,713	1,533	3,710
Firefighting	1,647	21,245	15,000	7,892
Rainy Day	276	543	-	819
	<u>5,453</u>	<u>53,237</u>	<u>35,460</u>	<u>23,230</u>
Totals	<u>\$ 5,453</u>	<u>\$ 53,237</u>	<u>\$ 35,460</u>	<u>\$ 23,230</u>

The accompanying notes are an integral part of the financial information.

WASHINGTON TOWNSHIP, SHELBY COUNTY  
NOTES TO FINANCIAL INFORMATION

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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, SHELBY COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for the Trustee for the period after July 1, 2009, did not have sufficient coverage as is prescribed by IC 5-4-1-18.

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee."

CONTRACTS

Records presented for examination indicated payments were made for cemetery care in an amount that exceeded the contract amount by \$500 in 2008. Additionally, one of the payees in 2008, is not listed as a contractual party in the 2008 contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The Township was not using the TA-1A Assistance Approval form, and therefore payments for assistance were not properly authorized by the Trustee. Additionally, the TA-1, Application for Township Assistance, was not filled out by the applicants but was filled out by the Trustee, and in many cases were incomplete.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 9)

WASHINGTON TOWNSHIP, SHELBY COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

TRAVEL CLAIMS

Prescribed Mileage Claim, Form 101, was not presented for examination to document township-related miles traveled in support of a \$350 annual disbursement to the Trustee. Additionally, a travel policy was not presented for examination.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ANNUAL REPORT

An electronic annual report for 2009, was not filed within 60 days of the close of the fiscal year.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

WASHINGTON TOWNSHIP, SHELBY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Michael Cochran, Trustee. The official concurred with our findings.