

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

EXAMINATION REPORT  
OF  
WASHINGTON TOWNSHIP  
MORGAN COUNTY, INDIANA  
January 1, 2010 to December 31, 2010



**FILED**  
12/08/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	6
Notes to Financial Statement.....	7-12
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-15
Schedule of Long-Term Debt .....	16
Examination Results and Comments:	
Questioned Cost - Compensation of Township Clerk .....	17
Questioned Cost - Compensation of Township Employee.....	17
Questioned Cost - Mileage Claims .....	17-18
Cemetery Contract Supporting Documentation.....	18
Advance Payments.....	18
Penalties, Interest, and Other Charges .....	18-19
Malfeasance, Misfeasance, or Nonfeasance .....	19
Bond Coverage.....	19
Examination Costs - Missing Funds .....	20
Condition of Records .....	20
Temporary Loan .....	20-21
Exit Conference.....	22
Official Response .....	23-60
Schedule of Questioned Costs .....	61

OFFICIALS

Office

Official

Term

Trustee

John Neal  
Scott Manley

01-01-07 to 12-31-10  
01-01-11 to 12-31-14

Chairman of the  
Township Board

Hewitt Mills  
Kim Meredith

01-01-10 to 12-31-10  
01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement of Washington Township (Township), for the period of January 1, 2010 to December 31, 2010. The Township's management is responsible for the financial statement. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Township for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Township's management and the Township Board and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 7, 2011

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FINANCIAL STATEMENT

WASHINGTON TOWNSHIP, MORGAN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 289,299	\$ 325,769	\$ 286,248	\$ 328,820
Township Assistance	147,806	47,939	57,617	138,128
Fire Fighting	172,210	872,699	840,608	204,301
Cumulative Fire	232,686	55,245	46,268	241,663
Fire Debt	31,420	58,284	55,914	33,790
Levy Excess	419	1,966	-	2,385
Rainy Day	87,016	99,161	4,320	181,857
Emergency Fire Loan	13,785	143,202	150,000	6,987
Federal Grant	-	56,300	56,300	-
Payroll Deductions - M Account	177	170,933	166,594	4,516
Totals	<u>\$ 974,818</u>	<u>\$ 1,831,498</u>	<u>\$ 1,663,869</u>	<u>\$ 1,142,447</u>

The notes to the financial statement are an integral part of this statement.

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), and general administrative services.

The accompanying financial statement presents the financial information for the Township (primary government), and does not include financial information for any of the Township's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Township (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit, (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

License and permits which includes amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

permit. Examples of license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records; copy machine charges; accident report copies, gun permit applications, 911 telephone services; recycling fees, dog pound fees; emergency medical service fees, park rental fees; swimming pool receipts; cable TV receipts; ordinance violations; fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which includes receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services which includes outflows for salaries, wages and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Debt service principle and interest which includes fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

H. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements are compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement and replacement items purchased.

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

WASHINGTON TOWNSHIP, MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the Township are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

WASHINGTON TOWNSHIP, MORGAN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	<u>Township</u>	<u>Township Assistance</u>	<u>Fire Fighting</u>	<u>Cumulative Fire</u>	<u>Fire Debt</u>	<u>Levy Excess</u>
Cash and investments - beginning	\$ 289,299	\$ 147,806	\$ 172,210	\$ 232,686	\$ 31,420	\$ 419
Receipts:						
Taxes	167,316	47,939	720,872	55,245	58,284	1,966
Intergovernmental	-	-	-	-	-	-
Other receipts	<u>158,453</u>	<u>-</u>	<u>151,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>325,769</u>	<u>47,939</u>	<u>872,699</u>	<u>55,245</u>	<u>58,284</u>	<u>1,966</u>
Disbursements:						
Personal services	60,760	20,633	751,325	-	-	-
Supplies	21,437	-	16,258	-	-	-
Other services and charges	52,163	7,293	73,025	-	55,914	-
Capital outlay	1,888	-	-	46,268	-	-
Other disbursements	<u>150,000</u>	<u>29,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>286,248</u>	<u>57,617</u>	<u>840,608</u>	<u>46,268</u>	<u>55,914</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>39,521</u>	<u>(9,678)</u>	<u>32,091</u>	<u>8,977</u>	<u>2,370</u>	<u>1,966</u>
Cash and investments - ending	<u>\$ 328,820</u>	<u>\$ 138,128</u>	<u>\$ 204,301</u>	<u>\$ 241,663</u>	<u>\$ 33,790</u>	<u>\$ 2,385</u>

WASHINGTON TOWNSHIP, MORGAN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Rainy Day	Emergency Fire Loan	Federal Grant	Payroll Deductions - M Account	Totals
Cash and investments - beginning	\$ 87,016	\$ 13,785	\$ -	\$ 177	\$ 974,818
Receipts:					
Taxes	-	143,202	-	-	1,194,824
Intergovernmental	-	-	56,300	-	56,300
Other receipts	99,161	-	-	170,933	580,374
Total receipts	<u>99,161</u>	<u>143,202</u>	<u>56,300</u>	<u>170,933</u>	<u>1,831,498</u>
Disbursements:					
Personal services	-	-	-	-	832,718
Supplies	-	-	-	-	37,695
Other services and charges	4,320	-	-	166,594	359,309
Capital outlay	-	-	56,300	-	104,456
Other disbursements	-	150,000	-	-	329,691
Total disbursements	<u>4,320</u>	<u>150,000</u>	<u>56,300</u>	<u>166,594</u>	<u>1,663,869</u>
Excess (deficiency) of receipts over disbursements	<u>94,841</u>	<u>(6,798)</u>	<u>-</u>	<u>4,339</u>	<u>167,629</u>
Cash and investments - ending	<u>\$ 181,857</u>	<u>\$ 6,987</u>	<u>\$ -</u>	<u>\$ 4,516</u>	<u>\$ 1,142,447</u>

WASHINGTON TOWNSHIP, MORGAN COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease:		
Fire Truck	\$ 207,774	\$ 55,914

WASHINGTON TOWNSHIP, MORGAN COUNTY  
EXAMINATION RESULTS AND COMMENTS

**QUESTIONED COST - COMPENSATION OF TOWNSHIP CLERK**

Cathy Neal, former Township Clerk, received \$25,522.50 in payments for the year 2010 in addition to the Clerk's salary of \$9,900. The time sheets presented for examination did not contain a detailed account of hours worked for each day of the pay period. (See Schedule of Questioned Costs, page 61)

Indiana Code 5-11-9-4(b) states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolutions or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

**QUESTIONED COST - COMPENSATION OF TOWNSHIP EMPLOYEE**

Melissa Manley, former Township employee, received \$18,703.08 for restoration of records in 2010. The Trustee did not prepare a General Form 99 – Payroll Schedule and Voucher or a General Form 99A – Employee's Service Record for any of the pay periods during the examination period. The Township did not present any documentation of hours worked for examination. (See Schedule of Questioned Costs, page 61)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Detailed time records should be kept. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

The Employee's Service Record is kept for each employee in order to properly prepare "Payroll Schedule and Voucher, General Form No. 99." It records the hours or days worked, sick leave, vacation and days lost. The Employee's Service Record may also be used to comply with the requirements of IC 5-11-9-4 regarding recording hours worked each day by an employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

**QUESTIONED COST - MILEAGE CLAIMS**

During 2010, John Neal, former Trustee, submitted mileage reimbursement claims which did not detail the points of origination or destination to allow for verification of mileage claimed. The claims presented for examination contained only total miles driven for each trip. The total amount of mileage reimbursement claimed during the examination period was \$803. (See Schedule of Questioned Costs, page 61)

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

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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)

***CEMETERY CONTRACT SUPPORTING DOCUMENTATION***

The cemetery maintenance contract allows for the payments for "Optional Services," removal of debris, straightening headstones, etc., at \$15 per hour when they are performed at the request of the Township. Records presented for examination did not include invoice or bill with detail of hours worked for "Optional Services."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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)

***ADVANCE PAYMENTS***

Dates of transactions indicate that some payments were made to employees before the payroll due date and before the work was performed.

Payroll checks due January 7, 2011, were paid December 31, 2010, resulting in an overpayment to the salary schedule. Firefighters are paid biweekly so this will result in the firefighters receiving 25 pays for 2011.

John Neal, former Trustee, received over 6 months of his salary by February 7, 2010.

Cathy Neal, former Township Clerk, also received monthly payments in advance.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

***PENALTIES, INTEREST, AND OTHER CHARGES***

Information presented for examination indicated that, in some cases, amounts payable to vendors and other suppliers of goods and services were not paid timely.

Penalties and interest totaling \$379.36 were paid to the Internal Revenue Service on May 27, 2010, for the tax period ending March 31, 2010.

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

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)

***MALFEASANCE, MISFEASANCE, OR NONFEASANCE***

From the information presented for examination, a claim for a Christmas dinner for the Township Fire Department employees was paid totaling \$275. This is not an allowable expense from the Fire Fighting Fund.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

***BOND COVERAGE***

The Township had official bond coverage on John Neal, former Trustee, with Fidelity and Deposit Company of Maryland in the amount of \$15,000 for the period of January 1, 2010 and until his successor is duly qualified.

Indiana Code 5-4-1-18 states in part:

"(a) . . . the following city, town, county, or township officer and employees shall file an individual surety bond: . . .

(4) Township trustees. . . .

(c) . . . the fiscal bodies of the respective units shall fix the amount of the bond . . . township trustees . . . as follows:

1. The amount 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 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 for the officer or employee. . . ."

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

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

**EXAMINATION COSTS - MISSING FUNDS**

The State of Indiana incurred additional examination fees in the investigation of the missing funds.

Examination costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

**CONDITION OF RECORDS**

Financial records presented for examination were incomplete and not reflective of the activity of the Emergency Fire Loan Fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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)

**TEMPORARY LOAN**

A temporary loan of \$150,000 was made on December 28, 2010, from the Township Fund to the Fire Fighting Fund and not repaid by December 31, 2010. The loan has not been repaid as of June 7, 2011. The loan was considered an emergency loan.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . .

- (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.
- (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . .

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
  - (A) A statement that the fiscal body has determined that an emergency exists.
  - (B) A brief description of the grounds for the emergency.

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

- (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

WASHINGTON TOWNSHIP, MORGAN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2011, with Scott Manley, Trustee; Valerie Hugart, Township Clerk; and Robert M. Bolin, Township Board member. The Official Responses have been made a part of this report and may be found on pages 23 through 25.

The contents of this report were discussed via email on November 11, 2011, with John Neal, former Trustee; Cathy Neal, former Township Clerk; Jeffrey Logston, Attorney for John Neal. The Official Response has been made a part of this report and may be found on pages 26 through 60.

MELISSA J. MANLEY

785 E. Timber Drive

Martinsville, IN 46151

October 11, 2011

Mr. Paul D. Joyce  
Indiana State Board of Accounts  
302 W. Washington Street, Room E-418  
Indianapolis, IN 46204-2765

Re: Washington Township, Morgan County

Dear Mr. Joyce:

Please consider this letter my response to your recent correspondence and request for repayment of my entire wages in the sum of \$18,703.08 for the calendar year 2010. Please note that my W-2 (copy enclosed) reflected this amount and this sum was reported on my personal income taxes for the year 2010.

I have been an employee of Washington Township, Morgan County, for several years, and, in fact, I am still an employee of the Township at the present time.

During the calendar year for 2010, I worked in three capacities for the township. As I have done for about the last eight years, I provided janitorial services to the township. My rate of pay for these services never changed and was paid at the rate of \$300.00 per month. This was a flat rate and was, of course, reported on my W-2. Never at any time was I ever requested to provide a contract or time records for this service. I clean other offices in the community and am paid in the exact same way as I was paid by the township.

The remainder of my pay for 2010 was divided between services for mold remediation in restoring records damaged by flooding, and the remainder in providing secretarial, clerical and poor relief services, as I still do today. At all times other than for cleaning services, I submitted my days and hours worked to the Township Clerk, and accurate time records were prepared. Never has it been within the scope of my duties to preserve or maintain personnel records. The fact that the Auditor for the State Board of Accounts was not presented with these records by Township officials should not be a burden placed on me, as I was, and still am, simply an employee of the Township, doing my job under the direction of the Trustee. I believe it is unfair and unreasonable to place this responsibility upon me. In fact, as a result of my employment with the Township, I was diagnosed with hypersensitivity pneumonitis directly linked to my employment with the Township and my subjection to mold within the township offices. My medical expenses were paid by Worker's Compensation and my employment was verified during that process by the insurance carrier.

Mr. Paul D. Joyce  
October 11, 2011  
Page Two

At all times during my employment in 2010, the Township Board was aware of the scope of my employment and it is my understanding that the Township Board unanimously approved these expenses at year-end. Again, if audit records were insufficient or not properly preserved by the Township, the burden of this responsibility should not be mine as simply an employee of the township, and I do not feel that accountability should be placed upon me.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa J. Manley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Melissa J. Manley

**SCOTT D. MANLEY  
WASHINGTON TOWNSHIP TRUSTEE  
159 W. Morgan Street  
Martinsville, IN 46151  
Ph. (765) 342-6368**

Mr. Paul D. Joyce  
Indiana State Board of Accounts  
302 W. Washington Street, Room E-418  
Indianapolis, IN 46204-2765

Re: Washington Township, Morgan County  
Melissa J. Manley

Dear Mr. Joyce:

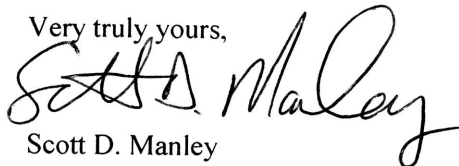
As the Washington Township Trustee, this letter is to advise that Melissa J. (formerly) Manley is currently employed by Washington Township, as she has been in prior years. I consider her to be an exceptional employee, who is prompt, efficient and responsible, and is a valuable addition to our office. I began my term as Trustee in January, 2011, and retained Ms. Manley as an employee.

The audit report presented to me by the State Board of Accounts questioned the 2010 wages of Ms. Manley and the lack of time records for her employment. From personal knowledge, I am fully aware that she was an employee of the Township during that time and that she fulfilled her duties and accurately reported her hours worked. I also point out that at the meeting I presided over to inspect the 2010 year-end report, the Township unanimously signed and approved the expenditures for that year.

After taking office, personnel records were requested and I provided all that were available and could be located in the office to the State Board for audit. Certain records of the Township were compromised in the first few months after I took office and, unknown to me at the time, a new board member, at various times, inspected, copied and removed documents from my office. I subsequently placed all township records in a locked cabinet and require that any review of the documents be supervised. I do not know what records were removed or destroyed during that time period. To my knowledge, there have been no missing documents or misplaced documents since that time.

Thank you for your consideration of this matter.

Very truly yours,



Scott D. Manley  
Washington Township Trustee

JOHN C. NEAL  
P. O. Box 1794  
Martinsville, IN 46151

October 11, 2011

Mr. Paul D. Joyce  
Indiana State Board of Accounts  
302 W. Washington Street, Room E-418  
Indianapolis, IN 46204-2765

Re: Washington Township, Morgan County  
Overpayment to Cathy Neal  
1-01-2010 to 12-31-2010

Dear Mr. Joyce:

In response to your Notice of Result of Examination dated October 5, 2011 in the above matter, please be advised:

**Clearly**, there was an additional appropriation process during the 2010 calendar year in the sum of \$25,000.00 specifically for payment of costs associated with mold remediation, and your Auditor was provided with those records.

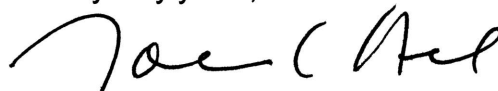
**Clearly**, there was discussion of these expenses at the year-end meeting pursuant to the recording also furnished to your Auditor. Subsequently, at that meeting, the year-end report was approved as presented and unanimously signed off upon by all board members.

**Clearly**, there were time records presented for the above employee substantiating her work. That they were not in a form that met with the approval of your Auditor should not cause the State of Indiana to attempt to recover wages from one of its citizens for work done. It has been established and is uncontroverted that this work was competently and efficiently completed.

**Clearly**, then, this appears to be a "witch hunt" and smacks of politics at its finest.

For these reasons, I respectfully dispute the findings set forth in the audit report.

Very truly yours,

  
John C. Neal

JOHN C. NEAL  
P. O. Box 1794  
Martinsville, IN 46151

October 14, 2011

Mr. Paul D. Joyce  
Indiana State Board of Accounts  
302 W. Washington Street, Room E-418  
Indianapolis, IN 46204-2765

Re: Washington Township, Morgan County  
Payment of Wages and Compensation  
1-01-2010 to 12-31-2010

Dear Mr. Joyce:


In response to your Notice of Result of Examination dated October 5, 2011 in the above matter, please be advised:

As the former Washington Township Trustee, I can verify with certainty that time records for the payment of wages and compensation to Melissa Manley were prepared and presented. After December 31, 2010, I was no longer the custodian of the records of the township and no longer was responsible for such records. I can only state, unequivocally, that other than for cleaning services, time records existed for Ms. Manley.

I find it impossible to believe that the State of Indiana desires to punish a person who merely does her job as directed. Ms. Manley fulfilled her duties as an employee as directed and she was paid accordingly. For you to demand of her that she return all of her wages made during the entire year is incomprehensible. It has clearly been established that she was an employee of the Township and her compensation was approved at year-end. There is no dispute whatsoever that she did, in fact, complete the work required of her. It is unfair and unjust that you would do this to someone who is the head of her household as a single mother and who was a loyal and faithful employee.

I strongly disagree with your findings that she would in any be liable for records that were not her responsibility to preserve and maintain. For these reasons, I respectfully dispute the findings set forth in the audit report.

Very truly yours,

  
John C. Neal

November 21, 2011

State Board of Accounts  
State of Indiana  
302 West Washington Street, Room E418  
Indianapolis, Indiana 46204

**RE: OFFICIAL RESPONSE to SBA Audit for Calendar Year 2010  
Washington Township, Morgan County Indiana from John Neal, previous  
Washington Township, Morgan County Trustee**

Ladies and Gentlemen:

This letter will serve as my response to the draft Audit Report which I recently received for the above referenced audit period. I appreciate your consideration of this response and its inclusion in your final report. This response will be organized by category as listed in the Audit Report.

1. **Overpayment of Compensation Township Clerk**

The Audit Report provides in part that “Cathy Neal, the township clerk received \$25,522.50 in payments for the year 2010 in addition to the clerk’s salary of \$9,900. The time sheets presented for examination did not contain a detailed account of hours worked for each day of the time period.”

**Response:**

In June of 2008, southern Indiana experienced a 100 year flood. The Township stored their records in the basement of the Township Offices. That storage area was impacted by the flooding. The Township had a large amount of documents dating back to the 1920’s. The sorting, recovery, and destruction efforts for the documents took a couple of years.

Beginning in 2009, Melissa Manley was hired by the Township to begin the process of sorting, recovery and destruction of the documents. However, after becoming seriously ill from the mold exposure in the document storage area, Cathy Neal stepped in to complete the document sorting, recovery and destruction efforts. Ms. Neal who was the Township Clerk at that time, was performing tasks that were outside of her job duties as clerk, therefore, the Township paid her an hourly rate to perform the document sorting, recovery and destruction efforts. While this work was not in the budget, the Township Trustee and Township Board made

various additional appropriations throughout the year to fund the process. Copies of additional appropriations and their corresponding approvals are attached as Exhibit “A”. While the minutes of the various meetings may not reflect the details of the discussions sufficiently, the Township Board was completely aware of the underlying reasons for the additional appropriations, and by approving such, gave their blessing. In addition, the additional payments to Ms. Neal for her services were discussed at a Washington Township Board meeting in January 2011 when the new Township Board reviewed and approved the Township’s Annual Report.

In addition, Ms. Neal kept track of all of her time spent on this project on a daily basis. However, Ms. Neal then transferred and totaled that time onto a cumulative time record sheet. Cumulative Time Record Sheets are attached as Exhibit “B”. While a daily breakdown has not been presented, there are time sheets which reflect time worked on the project.

## 2. **Compensation and Benefits**

The Audit Report provides in part that “Melissa Manley, former Township employee, received \$18,703.08 for restoration of records in 2010. The Trustee did not prepare a General Form 99 – Payroll Schedule and Voucher or a General Form 99A – Employee’s Service Record for any of the pay periods during the examination period. The Township did not present any documentation of hours worked for examination.”

### **Response:**

In June of 2008, southern Indiana experienced a 100 year flood. The Township stored their records in the basement of the Township Offices. That storage area was impacted by the flooding. The Township had a large amount of documents dating back to the 1920’s. The sorting, recovery, and destruction efforts for the documents took a couple of years.

Beginning in 2009, Melissa Manley was hired by the Township to begin the process. However, after becoming seriously ill from the mold exposure in the document storage area, Cathy Neal stepped in to complete the document sorting, recovery and destruction efforts. While this work was not in the budget, the Township Trustee and Township Board made various additional appropriations throughout the year to fund the process. Copies of additional appropriations and their corresponding approvals are attached as Exhibit “A”. While the minutes of the various meetings may not reflect the details of the discussions sufficiently, the Township Board was completely aware of the underlying reasons for the additional appropriations, and by approving such, gave their blessing.

In addition, Ms. Manley kept track of all of her time spent on this project on a daily basis and submitted those records. In turn, those records were used by the Township to pay Ms.

Manley. However, those records cannot be located at this time. The current Township administration took office on January 1 of this year. From that time to the present, Mr. Neal has not been in control of the documents that would be responsive to the comments set forth in the Audit Report. In addition, as of January 1, 2011, Bob Bolin's term as Township Advisory Board member began and since that time Mr. Bolin has come into the Township Trustee's office on multiple occasions to review Township records. In fact, Mr. Bolin was seen leaving the Township offices with various records. Once the current Township Trustee was notified of such events, Township records were placed in a secured, locked cabinet and could only be viewed in the presence of the Trustee. However, it is quite difficult to tell what documents were removed from the Township offices since January 1, 2011.

Finally, as a point of clarification, Ms. Manley is not a former Township employee. Ms. Manley was an employee during Mr. Neal's administration and is a current employee of the current Trustee.

3. **Mileage Claims**

The Audit Report provides in part that "During 2010, John Neal, former Trustee, submitted mileage reimbursement claims which did not detail the points of origination or destination to allow for verification of mileage claimed. The claims presented for examination contained only total miles driven for each trip. The total amount of mileage reimbursement claimed during the examination period was \$803."

**Response:**

Many of the responsibilities of a township trustee include driving to various locations. As Trustee, I kept track of such mileage on a Mileage Claim form as required by the State Board of Accounts. The completed Mileage Claim forms are attached as Exhibit "C". However, the supporting documentation regarding the points of origination and destination were all located in a travel calendar that I maintained. Once again, I have not been in control of those documents since December 31, 2010.

4. **Cemetery Contract Supporting Documentation**

The Audit Report provides in part that "The cemetery maintenance contract allows for payments for "Optional Services," removal of debris, straightening of headstones, etc., at \$15 per hour when they are performed at the request of the Township. Records presented for examination did not include invoice or bill with detail of hours worked for "Optional Services."

**Response:**

As set forth above, any additional amounts paid to Mr. Collier for cemetery maintenance were paid pursuant to the Cemetery Maintenance Contract. However, I do understand the need for documentation of an additional invoice detailing the "Optional Service" work performed.

5. **Advance Payments**

The Audit Report provides in part that "Dates of transactions indicate that some payments were made to employees before the payroll due date and before the work was performed."

**Response:**

As indicated in the Audit Report, there was one occasion where fire fighters were paid one week early. That payment was an exception and an accounting error. As for early payments to elected or appointed Township officials, I was unaware of the restriction against such. However, all elected or appointed Township officials worked the duration of time they were elected or appointed to and no overpayments occurred.

6. **Penalties, Interest and Other Charges**

The Audit Report provides in part that "Penalties and interest totaling \$379.36 were paid to the Internal Revenue Service on May 27, 2010 for the tax period ending March 31, 2010."

**Response:**

Any payments made to the IRS by the Township were made in the timeframe and amount as directed by the Township accountant. The Township accountant has been requested to contact the IRS to have the penalty waived.

7. **Malfeasance, Misfeasance, or Nonfeasance**

The Audit Report provides in part that "a claim for a Christmas dinner for the township fire department employees was paid for \$275.00."

**Response:**

The largest role of the Township was to provide fire protection and service. As being the largest role of the Township, I considered payment of \$275.00 for a holiday dinner for the fire department related to the function and purpose of the governmental unit.

8. **Bond Coverage**

The Audit Report provides in part that “The Township has official bond coverage on John Neal as Trustee with Fidelity and Deposit Company of Maryland in the amount of \$15,000 for the period of January 1, 2010 and until his successor is duly qualified.”

**Response:**

As the Trustee, I have always had an official bond in place. However, I was unaware of the change in required coverage which increased the minimum coverage to \$30,000.

9. **Examintion Costs – Missing Funds**

The Audit Report provides in part that “The State of Indiana incurred additional audit fees in the investigation of the missing funds.”

**Response:**

The State of Indiana has not provided any information regarding such a claim. The claims raised by the State of Indiana in its Audit Report, in fact, show that there are not any “missing funds” but merely question some discrepancies in the Township’s documentation. The Township’s funds were always balanced on a monthly and annual basis and confirm that there have not been any missing funds in the Township. I strongly feel that such a statement in the Audit Report mischaracterizes the concerns of the State. More information would need to be supplied by the State of Indiana before a truly appropriate response could be submitted.

10. **Condition of Records**

The Audit Report provides in part that “Financial records presented for audit were incomplete and not reflective of the activity of the Emergency Fire Loan Fund.”

**Response:**

As I was not in office during the time of this audit, I am unable to respond accurately to this statement as I don’t know what documents were or were not supplied and what documents were needed for review. However, as of December 31, 2010 there were total and complete records of the Emergency Fire Loan Fund.

11. **Temporary Loan**

The Audit Report provides in part that “a temporary loan of \$150,000 was made on December 28, 2010 from the Township Fund to the Firefighting Fund and not repaid by December 31, 2010. The loan has not been repaid as of June 7, 2011. The loan was considered an emergency loan.”

**Response:**

The statement in the Audit Report that the loan referenced is considered an emergency loan is accurate. The loan of \$150,000 was a Fire and Emergency Services Loan pursuant to I.C. 36-6-6-14, authorized by the Township Board, and approved by the Indiana Department of Local Government Finance. However, this is not a temporary, intrafund transfer loan pursuant to I.C. 36-1-8-4 which is what the Audit Report reflects. This Fire and Emergency Services Loan pursuant to statute is repaid the following year by a specific tax rate and levy. This loan taken in 2010 does not need to be repaid until December 31, 2011. Corresponding approvals are attached as Exhibit “D”. Therefore, the statements made regarding this matter are inaccurate and do not reflect the transaction and the true statutory requirements that were adhered to.

**Conclusion:**

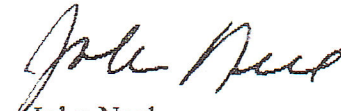
During my 28 years of service as Washington Township, Morgan County Trustee, I have never had issues such as the ones raised in this Audit Report. In fact, field examiners, including Ms. Braun, have commented on multiple occasions in the past that the Township records have been impeccable. As of January 1, 2011, I was no longer the custodian of any Township records, and therefore, had no control over what documents were supplied for review or what documents may have been tampered with. As of January 1, 2011, Bob Bolin’s term as Township Advisory Board member began. Mr. Bolin came into the Township Trustee’s office on multiple occasions since taking office to review Township records and in fact was seen leaving the Township offices with certain records. Once the current Township Trustee was notified of such events, Township records were placed in a secured, locked cabinet and could only be viewed in the presence of the Trustee. However, it is quite difficult to tell what documents were removed from the Township offices since January 1, 2011. In addition, Township documents reviewed as part of this Audit were removed from the Township Office for at least several months, and it is also my understanding that certain Township documents were reviewed by the SBOA during its audit of the Martinsville City Court. Therefore, there have been many variables involved regarding the custody and security of Township records since the time that I left office.

In addition, I have always been fiscally conservative with the funds entrusted into my care as Township Trustee. During the year in question, the entire spending in all township funds was below the appropriated amounts. Also, the year-end report detailing all Township financial

transactions was reviewed in a public meeting with the Township Advisory Board and unanimously approved by all board members.

I served the residents of Washington Township, Morgan County for 28 years with integrity. If there is anything I can do to assist in your review, please let me know.

Sincerely,



John Neal

# Exhibit “A”

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
Room N-1058, IGCN - 100 North Senate  
Indianapolis, Indiana 46204

ORDER 1028602

In the matter of Additional Appropriations for WASHINGTON TOWNSHIP taxing unit County of Morgan as adopted on October 04, 2010:

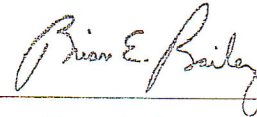
A certified copy of additional appropriation action taken by the above named taxing unit was filed with the Department of Local Government Finance on October 19, 2010. It was examined for availability and sufficiency of unencumbered revenues. The Department makes the following determination based upon financial information as submitted by the fiscal officer:

Sufficient revenues are available to support the following requested appropriations:

FUND	FUND NAME	REQUESTED REDUCTION	REQUESTED INCREASE	TOTAL REQUESTED	TOTAL APPROVED	TOTAL DENIED
101	GENERAL	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00	\$0.00

Note: The above approval is limited to revenues available or to be made available during 2010 as certified by the fiscal officer of WASHINGTON TOWNSHIP.

Having examined the Certified Copy as submitted by the above named taxing unit, the determinations as set forth are now adopted this October 20, 2010.



Brian Bailey, Commissioner

INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
Certified Copy of Additional Appropriation

PLEASE KEEP THIS DOCUMENT TO UTILIZE FOR FUTURE ADDITIONAL APPROPRIATION REQUESTS

Year: 2010  
 County: 55 Morgan  
 Jnit: 0014 WASHINGTON TOWNSHIP  
 Jnit Type Code 2

Date of Publication: \_\_\_\_\_  
 Date of Publication: \_\_\_\_\_  
 Date of Public Hearing: \_\_\_\_\_  
 Date of Resolution/Ordinance: \_\_\_\_\_

News paper: \_\_\_\_\_  
 News paper: \_\_\_\_\_

DLGF Use Only  
 Date Filed: \_\_\_\_\_  
 Petition Number: \_\_\_\_\_

**Modify bold boxes for each fund for which additional appropriations are made. Lines referred to below are on 16-line computer statement from DLGF budget hearing**

FUND NUMBER:	0061	0101	0840	1111	1182
FUND NAME:	RAINY DAY	GENERAL	TWP ASSISTANCE	FIRE	FIRE EQUIP DEBT
APPROPRIATION REQUEST					
AMOUNT BY REDUCTION:					
AMOUNT BY SURPLUS					
1. Property Tax Levy (line 16)	\$0.00	\$107,852.00	\$41,983.00	\$340,017.00	\$50,684.00
2. Levy Excess Applied (line 15)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. PTRC from CAGIT (line 13)	\$0.00	\$42,759.00	\$0.00	\$0.00	\$0.00
4. Misc. Revenue Estimate (line 8b) (if value has increased, revised Form 2 must be attached)	* \$0.00	* \$12,457.00	* \$4,849.00	* \$298,933.00	* \$4,816.00
5. Jan. 1 Cash Balance, Including investments		* \$289,237.00			
6. Total Funds Available (1+2+3+4+5)					
7. Original Budget	\$40,000.00	\$112,800.00	\$80,700.00	\$723,608.00	\$55,914.00
8. Encumbered Appropriations		* \$0.00			
9. Total Beginning Appropriations (7+8)					
10. Surplus Funds (6-9)					
11. Amount Appropriated since January less any reductions in appropriations		\$25,000.00			
12. Amount transferred to Rainy Day					
13. Surplus Funds Remaining (10-11-12)					

\* = Current values on file. Make any adjustments in space provided.

\_\_\_\_\_, fiscal officer of \_\_\_\_\_ do hereby certify that the above information is true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010

\_\_\_\_\_, Signature \_\_\_\_\_ Title \_\_\_\_\_

Certified Copy of Additional Appropriation

PLEASE KEEP THIS DOCUMENT TO UTILIZE FOR FUTURE ADDITIONAL APPROPRIATION REQUESTS

Year: 2010  
 County: 55 Morgan  
 Jnit: 0014 WASHINGTON TOWNSHIP  
 Jnit Type Code 2

Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 Date of Public Hearing: \_\_\_\_\_  
 Date of Resolution/Ordinance: \_\_\_\_\_

Date Filed: \_\_\_\_\_ DLGF Use Only  
 Petition Number: \_\_\_\_\_

Modify bold boxes for each fund for which additional appropriations are made. Lines referred to below are on 16-line computer statement from DLGF budget hearing

FUND NUMBER:	1187	1190
FUND NAME:	EMER FIRE LOAN	CUM FIRE(TWP)
APPROPRIATION REQUEST		
AMOUNT BY REDUCTION:		
AMOUNT BY SURPLUS		
1. Property Tax Levy (line 16)	\$124,527.00	\$56,054.00
2. Levy Excess Applied (line 15)	\$0.00	\$0.00
3. PTRC from CAGIT (line 13)	\$0.00	\$0.00
4. Misc. Revenue Estimate (line 8b) (if value has increased, revised Form 2 must be attached)	* \$11,831.00	* \$5,326.00
5. Jan. 1 Cash Balance, Including investments		
6. Total Funds Available (1+2+3+4+5)		
7. Original Budget	\$150,000.00	\$100,000.00
8. Encumbered Appropriations		
9. Total Beginning Appropriations (7+8)		
10. Surplus Funds (6-9)		
11. Amount Appropriated since January less any reductions in appropriations		
12. Amount transferred to Rainy Day		
13. Surplus Funds Remaining (10-11-12)		

\* = Current values on file. Make any adjustments in space provided.

\_\_\_\_\_, fiscal officer of \_\_\_\_\_ do hereby certify that the above information is true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010

\_\_\_\_\_, Signature \_\_\_\_\_ Title \_\_\_\_\_

ADDITIONAL APPROPRIATION RESOLUTION

WHEREAS, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget;

NOW, THEREFORE, be it RESOLVED by the Township Board of Washington Township, Morgan County, Indiana, that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

Fund Name: Township

	Amount Requested	Amount Approved
Budget Classification		
Personal Services	\$10,000.00	\$10,000.00
Supplies	2,000.00	2,000.00
Other Services and Charges	3,000.00	3,000.00
Capital Outlay	<u>10,000.00</u>	<u>10,000.00</u>
 Total	 <u>\$ 25,000.00</u>	 <u>\$ 25,000.00</u>

Adopted this 4<sup>th</sup> day of October, 2010.

Nay

Aye

-----  
-----  
-----

*Karen J. Hughes*  
*Robert Mauldin*  
*Newitt C. Miles*

Attest:

*Bob Mauldin*  
-----  
Secretary

ADDITIONAL APPROPRIATION RESOLUTION

WHEREAS, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget;

NOW, THEREFORE, be it RESOLVED by the Township Board of Washington Township, Morgan County, Indiana, that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

Fund Name: Firefighting

	Amount Requested	Amount Approved
Budget Classification		
Personal Services	\$ 75,000.00	\$ 75,000.00
Other	<u>75,000.00</u>	<u>75,000.00</u>
 Total	 <u>\$ 150,000.00</u>	 <u>\$150,000.00</u>

Adopted this 9<sup>th</sup> day of December, 2009.

Nay

Aye

-----  
-----  
-----

*Karen Hughes*  
-----  
*Drew C. Meeks*  
-----

Attest:

*Karen Hughes*  
-----  
Secretary

CERTIFIED COPY OF ADDITIONAL APPROPRIATION

COUNTY NAME: Morgan  
 UNIT NAME: Washington Township  
 Date of Publication 11-27-10 Newspaper Reporter-Times  
 Date of Publication 11-27-10 Newspaper Mooresville Times  
 Date of Public Hearing 12-9-10  
 Date of Resolution/Ordinance 12-9-10

County # _____
Unit # _____
Date Received: _____
Order Number: _____

Complete for each fund from which the additional appropriations are made. Use a separate column for each fund. Lines referred to below are on the 16-Line computer statement from the DLGF.

A. DLGF Fund Number	<u>1111</u>			
B. Fund Name	<u>Firefighting</u>			
C. Appropriation Amount Requested	<u>155,000</u>			
D. Amount by Reduction				
E. Amount by Surplus (C - D)	<u>150,000</u>			
1. Property Tax Levy (Line 16)	<u>340,017</u>			
2. Levy Excess (Line 15)	<u>-</u>			
3. PTRC from CAGIT (Line 13)	<u>-</u>			
4. Misc. Revenue (Line 8b) (If higher than 8b amount, a revised Budget Form 2 must be attached.)	<u>457,937</u>	<u>Includes</u>	<u>\$150,000 loan just approved</u>	
5. January 1 Cash Balance (see administrative note #6)	<u>172,209</u>			
6. Total Funds (1 + 2 + 3 + 4 + 5)	<u>970,163</u>			
7. DLGF Approved Budget	<u>723,608</u>			
8. Encumbered Appropriations				
9. Beginning Appropriations (7 + 8)	<u>723,608</u>			
10. Surplus Funds (6 - 9)	<u>246,555</u>			
11. Amount additionally appropriated since January 1 <sup>st</sup> less any reductions in appropriations.	<u>-</u>			
12. Amount transferred to the Rainy Day Fund.	<u>-</u>			
13. Surplus Funds Remaining (10-11-12)	<u>246,555</u>			

I, John C. Neal, fiscal officer of Washington Twp do hereby certify that the above information is true and correct. Morgan County

Dated this 9<sup>th</sup> day of December, 2010

John C. Neal  
 (Signature)  
159 W. Morgan Street  
 (Unit Address)

Trustee  
 (Title)  
(765) 342-6368  
 (Telephone Number)

Martinsville, IN 46151  
 (City / Town / Zip Code)

wtfdtrustee@comcast.net  
 (E-mail Address - Optional)

PLEASE KEEP THIS DOCUMENT TO UTILIZE FOR FUTURE ADDITIONAL APPROPRIATION REQUESTS

Year: 2010  
 County: 55 Morgan  
 Jnit: 0014 WASHINGTON TOWNSHIP  
 Jnit Type Code 2

Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 Date of Public Hearing: \_\_\_\_\_  
 Date of Resolution/Ordinance: \_\_\_\_\_

DLGF Use Only  
 Date Filed: \_\_\_\_\_  
 Petition Number: \_\_\_\_\_

Modify bold boxes for each fund for which additional appropriations are made. Lines referred to below are on 16-line computer statement from DLGF budget hearing

FUND NUMBER:	0061	0101	0840	1111	1182
FUND NAME:	RAINY DAY	GENERAL	TWP ASSISTANCE	FIRE	FIRE EQUIP DEBT
APPROPRIATION REQUEST					
AMOUNT BY REDUCTION:					
AMOUNT BY SURPLUS					
1. Property Tax Levy (line 16)	\$0.00	\$107,852.00	\$41,983.00	\$340,017.00	\$50,684.00
2. Levy Excess Applied (line 15)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. PTRC from CAGIT (line 13)	\$0.00	\$42,759.00	\$0.00	\$0.00	\$0.00
4. Misc. Revenue Estimate (line 8b) (if value has increased, revised Form 2 must be attached)	* \$0.00	* \$12,457.00	* \$4,849.00	* \$457,937.00	* \$4,816.00
5. Jan. 1 Cash Balance, Including investments		* \$289,237.00		* \$172,209.00	
6. Total Funds Available (1+2+3+4+5)	\$40,000.00	\$112,800.00	\$80,700.00	\$723,608.00	\$55,914.00
7. Original Budget		* \$0.00		* \$0.00	
8. Encumbered Appropriations					
9. Total Beginning Appropriations (7+8)					
10. Surplus Funds (6-9)		\$25,000.00			
11. Amount Appropriated since January less any reductions in appropriations				\$150,000.00	
12. Amount transferred to Rainy Day					
13. Surplus Funds Remaining (10-11-12)					

\* = Current values on file. Make any adjustments in space provided.

\_\_\_\_\_, fiscal officer of \_\_\_\_\_, 2010  
 do hereby certify that the above information is true and correct.  
 dated this \_\_\_\_ day of \_\_\_\_\_, 2010  
 Signature \_\_\_\_\_ Title \_\_\_\_\_

PLEASE KEEP THIS DOCUMENT TO UTILIZE FOR FUTURE ADDITIONAL APPROPRIATION REQUESTS

Year: 2010 Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 County: 55 Morgan Date of Publication: \_\_\_\_\_ Newspaper: \_\_\_\_\_  
 Jnit: 0014 WASHINGTON TOWNSHIP Date of Public Hearing: \_\_\_\_\_  
 Jnit Type Code 2 Date of Resolution/Ordinance: \_\_\_\_\_

DLGF Use Only  
 Date Filed: \_\_\_\_\_  
 Petition Number: \_\_\_\_\_

Modify bold boxes for each fund for which additional appropriations are made. Lines referred to below are on 16-line computer statement from DLGF budget hearing

FUND NUMBER:	1187	1190
FUND NAME:	EMER FIRE LOAN	CUM FIRE(TWP)
APPROPRIATION REQUEST		
AMOUNT BY REDUCTION:		
AMOUNT BY SURPLUS		
1. Property Tax Levy (line 16)	\$124,527.00	\$56,054.00
2. Levy Excess Applied (line 15)	\$0.00	\$0.00
3. PTRC from CAGIT (line 13)	\$0.00	\$0.00
4. Misc. Revenue Estimate (line 8b) (if value has increased, revised Form 2 must be attached)	* \$11,831.00	* \$5,326.00
5. Jan. 1 Cash Balance, Including investments		
6. Total Funds Available (1+2+3+4+5)		
7. Original Budget	\$150,000.00	\$100,000.00
8. Encumbered Appropriations		
9. Total Beginning Appropriations (7+8)		
10. Surplus Funds (6-9)		
11. Amount Appropriated since January less any reductions in appropriations		
12. Amount transferred to Rainy Day		
13. Surplus Funds Remaining (10-11-12)		

\* = Current values on file. Make any adjustments in space provided.

\_\_\_\_\_ do hereby certify that the above information is true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010

\_\_\_\_\_ fiscal officer of \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_

STATE OF INDIANA  
 DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
 Room N-1058, IGCN - 100 North Senate  
 Indianapolis, Indiana 46204

**ORDER 1029155**

the matter of Additional Appropriations for WASHINGTON TOWNSHIP taxing unit County of Morgan as adopted on December 09, 2010:

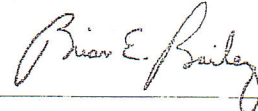
certified copy of additional appropriation action taken by the above named taxing unit was filed with the Department of Local Government Finance on December 13, 2010. It was examined for availability and sufficiency of unencumbered revenues. The Department makes the following determination based upon financial information as submitted by the fiscal officer:

sufficient revenues are available to support the following requested appropriations:

IND	FUND NAME	REQUESTED REDUCTION	REQUESTED INCREASE	TOTAL REQUESTED	TOTAL APPROVED	TOTAL DENIED
11	FIRE	\$0.00	\$150,000.00	\$150,000.00	\$150,000.00	\$0.00

Note: The above approval is limited to revenues available or to be made available during 2010 as certified by the fiscal officer WASHINGTON TOWNSHIP.

Having examined the Certified Copy as submitted by the above named taxing unit, the determinations as set forth are now adopted this December 16, 2010.



\_\_\_\_\_  
 Brian E. Bailey, Commissioner

# Exhibit “B”

# EMPLOYEE BIWEEKLY TIME RECORD

EMPLOYEE NAME Cathy NEAL DATE Additional Labor  
 EMPLOYEE NUMBER 102 DEPARTMENT \_\_\_\_\_  
 JOB DESCRIPTION Mold Remediation - Document Storage Restoration

WEEK ONE						
DATE	JOB NUMBER	ACTIVITIES	TIME START	TIME FINISH	HOURS	
✓ 3/9		1-1-10 - 2-1-10		OT \$ 975.-		65
✓ 3/25		2-1-10 - 3-1-10		825.- 600.-		41.25
✓ 4/15		3-1-10 - 4-1-10				78.75
✓ 4/4	JAN PAY	825 for Dec				
✓ 4/18	JAN PAY	825 for JAN				
✓ 2/21	FEB	825 for Feb				
✓ 3/25	MAR	825 for MAR				
WEEK ONE TOTAL HOURS:						

WEEK TWO						
DATE	JOB NUMBER	ACTIVITIES	TIME START	TIME FINISH	HOURS	
✓ 5/9		4-1-10 - 5-1-10		825.- 800.-		
✓ 5/27		5-1-10 - 5-15-10		825.- 1125.-		
✓ 6/6		5-15-10 - 6-1-10		400.- 1125.-		
✓ 6/25		6-1-10 - 6-25-10				
✓ 4/27	Apr Pay	825				
✓ 5/25	MAY PAY	825.				
✓ 6/25	June Pay	825.-				
WEEK TWO TOTAL HOURS:						

AUTHORIZATION REQUIRED FOR ALL OVERTIME HOURS

\_\_\_\_\_  
 Supervisor's signature

TOTAL REGULAR HOURS \_\_\_\_\_

TOTAL OVERTIME \_\_\_\_\_

# Payroll Time Report

Pay Period Beginning and End Date: 6-26-10 to 7-19-10

Page \_\_\_\_\_ of \_\_\_\_\_

First Name <u>Cathy Neal</u>	Employee ID _____
------------------------------	-------------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 7/1/10	6-26-10 - 7-1-10			Hrs 53.5	
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						
Total Hours for Employee						

First Name _____	Employee ID _____
------------------	-------------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 7/9/10	7-2-10 - 7-15-10			Hrs	
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday	✓ July Pay					
Total Hours for Employee						

First Name _____	Employee ID _____
------------------	-------------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 7/15	7-1-10 - 7-12-10			93.25	
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						
Total Hours for Employee						

First Name _____	Employee ID _____
------------------	-------------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 7/19	7-12-10 - 7-19-10			60 hrs.	
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						
Total Hours for Employee						

Totals for this page	Hours	Hourly Rate	Hourly Total	Piece Rate Total	GRAND TOTAL

# Payroll Time Report

Pay Period Beginning and End Date: 7-19-10 to 9-6-10

Page \_\_\_\_\_ of \_\_\_\_\_

First Name					Employee ID	
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday					Hrs	
Tuesday						
Wednesday	<u>7-19-10</u>	<u>7-25</u>			<u>17.25</u>	
Thursday						
Friday						
Saturday						
Sunday						
Total Hours for Employee						

First Name					Employee ID	
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday						
Wednesday	<u>7-25-10</u>	<u>8-8-10</u>				
Thursday						
Friday						
Saturday						
Sunday						
Total Hours for Employee						

(600 = 30 hrs. Cemetery research from 7-1-10 - 8-8-10)  
(645 = 32.25 hrs)

First Name					Employee ID	
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday					Hrs	
Tuesday						
Wednesday	<u>8-8-10</u>	<u>8-13-10</u>			<u>27.625</u>	
Thursday						
Friday						
Saturday						
Sunday	<input checked="" type="checkbox"/>	<u>Aug pay</u>				
Total Hours for Employee						

First Name					Employee ID	
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday					<u>42.25</u>	
Wednesday	<u>8-14-10</u>	<u>8-31-10</u>				
Thursday						
Friday	<u>9-1-10</u>	<u>9-6-10</u>			<u>30</u>	
Saturday						
Sunday						
Total					<u>72.25 hrs.</u>	
Total Hours for Employee						

Totals for this page	Hours	Hourly Rate	Hourly Total	Piece Rate Total	GRAND TOTAL

# Payroll Time Report

Pay Period Beginning and End Date: 9-7-10 to \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

First Name				Employee ID		
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday	✓ 9-7-10 -	9-18-10			52.5	
Wednesday						
Thursday	✓ 9-19-	9-26-10			47	
Friday						
Saturday						
Sunday	✓ Sept. Pay					
Total Hours for Employee						

First Name				Employee ID		
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 9-27-	10-6			41	
Tuesday						
Wednesday						
Thursday	✓ 10-7-	10-11			47	
Friday						
Saturday						
Sunday						
Total Hours for Employee						

First Name				Employee ID		
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday	✓ 10-12-10 -	10-24-10			17.25 hr.	
Wednesday						
Thursday						
Friday						
Saturday						
Sunday	✓ October Pay					
Total Hours for Employee						

First Name				Employee ID		
	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday	✓ 10-25-10 -	11-2			41.25	
Wednesday						
Thursday	✓ 11-2 -	11-5			19	
Friday	✓ 11-5 -	11-7			11.25	
Saturday						
Sunday	✓ November Pay					
Total Hours for Employee						

	Hours	Hourly Rate	Hourly Total	Piece Rate Total	GRAND TOTAL
Totals for this page					

# Payroll Time Report

Pay Period Beginning and End Date: 11-20-10 to

Page \_\_\_\_\_ of \_\_\_\_\_

First Name	Employee ID
------------	-------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	✓ 11-8 - 11-20			21.5		
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday	✓ December Pay					
Sunday						

Total Hours for Employee

First Name	Employee ID
------------	-------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	11-21-10	—	12-10-10		31.5	
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						

Total Hours for Employee

First Name	Employee ID
------------	-------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday	12-11-10 - 12-27-10			34		
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						

Total Hours for Employee

First Name	Employee ID
------------	-------------

	Date	Hours	Hourly Rate	Hourly Total	Piece Rate Total	TOTAL
Monday						
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
Sunday						

Total Hours for Employee

Totals for this page	Hours	Hourly Rate	Hourly Total	Piece Rate Total	GRAND TOTAL

# Exhibit “C”





# Exhibit “D”

JOHN C. NEAL  
WASHINGTON TOWNSHIP TRUSTEE  
159 West Morgan Street  
Martinsville, IN 46151  
Office (765) 342-6368  
Home (765) 342-2642

November 29, 2010

Department of Local Government Finance  
Budget Division  
Attention: Linda Lessaris  
N1058 Government Center  
100 N. Senate Ave.  
Indianapolis, IN 46204

Via Facsimile Transmission (317) 232-8779

Re: Washington Township  
Morgan County, Indiana

Dear DLGF:

In accordance with the emergency loan process completed by the Washington Township Board, an emergency loan in the amount of \$150,000.00 will be borrowed by the Firefighting Fund from the General Township Fund for operating expenses to provide emergency services for the residents of Washington Township. This will be repaid without interest by tax levy in 2011. We are in the process of completing the Additional Appropriation procedure and that documentation will be forwarded on December 9<sup>th</sup>.

Thank you for your assistance. It is appreciated.

Yours truly,

John C. Neal, Trustee  
Washington Township, Morgan County

described By State Board of Accounts  
Oct. 18, 2010 meeting

WASHINGTON TOWNSHIP  
(Governmental Unit)

Morgan County, Indiana

TO: Mooresville-Times

23 E.Main Street Mooresville, IN 46158

PUBLISHER'S CLAIM

LINE COUNT

Display Matter (Must not exceed 2 actual lines, neither of which shall total more than four solid lines of the type in which the body of the advertisement is set) - number of equivalent lines

Head - number of lines

Body - number of lines

Tail - number of lines

Total number of lines in notice:

40

COMPUTATION OF CHARGES:

40 lines 1 column(s) wide equals 40 equivalent lines at .281 cents per line

\$ 11.24

Additional Charges for notices containing rule or tabular work (50% of above amount)

Charge for extra proofs of publication (\$1.00 for each proof in excess of two)

\$ 11.24

TOTAL AMOUNT OF CLAIM

DATA FOR COMPUTING COST

Width of single column in picas 7.4 Size of type 7 point.

Number of insertions 1

Pursuant to the provisions and penalties of IC 5-11-10-1, I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

I also certify that the printed matter attached hereto is a true copy, of the same column width and type size, which was duly published in said paper 1 time. The dates of publication being as follows:

10/06/10

Additionally, the statement checked below is true and correct:

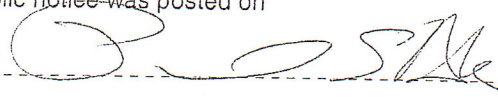
.....Newspaper does not have a Web site.

.....Newspaper has a Web site and this public notice was posted on the same day as it was published in the newspaper.

.....Newspaper has a Web site, but due to technical problem or error, public notice was posted on

.....Newspaper has a Web site but refuses to post the public notice.

10-6-10

  
Title Public Notice Clerk

**NOTICE OF PUBLIC HEARING TO THE TAXPAYERS OF WASHINGTON TOWNSHIP**

The taxpayers of Washington Township are notified that on October 18, 2010, at 5:30 o'clock P.M., the Township Trustee and Township Board will meet at the Office of the Trustee, 159 W. Morgan Street, Martinsville, Indiana, to discuss incurring indebtedness in the sum of \$150,000.00, for an emergency loan pursuant to IC 36-6-6-14.

Taxpayers shall have the right to be heard. A determination whether or not to borrow and the maximum amount of a loan may be made at this hearing. If a determination is made, a notice will be published pursuant to statute. Affected taxpayers shall have the right to file objecting petitions with the County Auditor within thirty (30) days of the Notice of Determination.

Hewitt Mills  
Melvin "Bud" Manley  
Karen S. Kindred  
Township Board  
John C. Nead  
Washington Township Trustee

RESOLUTION TO INCUR INDEBTEDNESS

Minutes of the Township Board of  
Washington Township, Morgan County  
Held October 18, 2010

The Township Board of Washington Township, Morgan County, Indiana, met at the Office of the Trustee, 159 W. Morgan Street, Martinsville, Indiana, with the Trustee, at 5:30 o'clock p.m. on October 18, 2010, pursuant to Notice of Hearing on incurring indebtedness with all board members present. The meeting was called to order by said Trustee who read the Notice to Taxpayers which stated the purpose of the meeting. The Township Board found that a need exists to incur a loan in the amount of \$150,000.00, and proper notice having been given by publication the following resolution was presented:

BE IT RESOLVED by the Township Board of Washington Township, Morgan County, Indiana that a need now exists for incurring a loan in the amount of \$150,000.00.

BE IT FURTHER RESOLVED that this Board will adhere to the provisions of IC 36-6-6-14. Loan repayment may be levied outside the present maximum levy limitations for a period from one (1) year. Repayment will be levied beginning with taxes 2010 payable 2011. Said loan is subject to the approval of the Department of Local Government Finance.

Duly adopted by the following vote of the members of said Township Board.

NAYS

-----  
-----  
-----

AYES

Hewitt Meel  
Brad Mack  
Karen Hooper

Hewitt Meel President  
Brad Mack Secretary  
Karen Hooper Member

Attest:

\_\_\_\_\_ Trustee  
Washington Township

JOHN C. NEAL  
WASHINGTON TOWNSHIP TRUSTEE  
159 West Morgan Street  
Martinsville, IN 46151  
Office (765) 342-6368  
Home (765) 342-2642

November 29, 2010

Department of Local Government Finance  
Budget Division  
Attention: Linda Lessaris  
N1058 Government Center  
100 N. Senate Ave.  
Indianapolis, IN 46204

Via Facsimile Transmission (317) 232-8779

Re: Washington Township  
Morgan County, Indiana

Dear DLGF:

In accordance with the emergency loan process completed by the Washington Township Board, an emergency loan in the amount of \$150,000.00 will be borrowed by the Firefighting Fund from the General Township Fund for operating expenses to provide emergency services for the residents of Washington Township. This will be repaid without interest by tax levy in 2011. We are in the process of completing the Additional Appropriation procedure and that documentation will be forwarded on December 9<sup>th</sup>.

Thank you for your assistance. It is appreciated.

Yours truly,

John C. Neal, Trustee  
Washington Township, Morgan County

JOHN C. NEAL  
WASHINGTON TOWNSHIP TRUSTEE  
159 West Morgan Street  
Martinsville, IN 46151  
Office (765) 342-6368  
Home (765) 342-2642

November 20, 2010

Department of Local Government Finance  
Budget Division  
Attention: Linda Lessaris  
N1058 Government Center  
100 N. Senate Ave.  
Indianapolis, IN 46204

Via Facsimile Transmission (317) 232-8779

Re: Washington Township  
Morgan County, Indiana

Dear Linda:

The Emergency Debt Fund for the 2011 will obtain an emergency loan of \$150,000.00 (borrowed from our General Township Fund) to be repaid by tax levy in 2011. We will be eligible for the Certificate of No Objection on November 23<sup>rd</sup> and have begun the Additional Appropriation procedure which will be completed on December 9<sup>th</sup>. At the time that we did our 2011 budget, our Board approved the fund, but the loan was not completed at that time.

Should I send the documents directly to you for processing as we did last year? We just want to make sure that this fund will be reflected on our 2011 budget as approved by the DLGF.

If there is something else we should be doing right now, please advise. You may reach me by telephone at (765) 342-2642 or by e-mail at [cathy@foleypeden.com](mailto:cathy@foleypeden.com).

Thank you.

Yours truly  
  
Cathy Neal, Clerk  
Washington Township, Morgan County

TRANSACTION REPORT

NOV-22-2010 MON 11:33 AM

FOR: FOLEY FOLEY PEDEN

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-22	11:33 AM	13172328779	20"	1	SEND	OK	647	
TOTAL :						20S	PAGES:	1

**JOHN C. NEAL**  
**WASHINGTON TOWNSHIP TRUSTEE**  
 159 West Morgan Street  
 Martinsville, IN 46151  
 Office (765) 342-6368  
 Home (765) 342-2642

November 20, 2010

Department of Local Government Finance  
 Budget Division  
 Attention: Linda Lessaris  
 N1058 Government Center  
 100 N. Senate Ave.  
 Indianapolis, IN 46204

Via Facsimile Transmission (317) 232-8779

Re: Washington Township  
 Morgan County, Indiana

Dear Linda:

The Emergency Debt Fund for the 2011 will obtain an emergency loan of \$150,000.00 (borrowed from our General Township Fund) to be repaid by tax levy in 2011. We will be eligible for the Certificate of No Objection on November 23<sup>rd</sup> and have begun the Additional Appropriation procedure which will be completed on December 9<sup>th</sup>. At the time that we did our 2011 budget, our Board approved the fund, but the loan was not completed at that time.

WASHINGTON TOWNSHIP, MORGAN COUNTY  
SCHEDULE OF QUESTIONED COSTS

Questioned Cost - Compensation of Township Clerk, page 17	\$ 25,522.50
Questioned Cost - Compensation of Township Employee, page 17	18,703.08
Questioned Cost - Mileage Claims, page 17 and 18	<u>803.00</u>
Total Questioned Costs	<u>\$ 45,028.58</u>