



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

B45983

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 11, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Washington Township (Township), for the period of January 1, 2011 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances for the review period were not presented for review. Reconciliations were not documented or retained.*
- *The Annual Financial Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors, and did not properly reflect the financial activity of the Township as shown in the table below.*

Year	Fund	(Beg Bal, Receipt, Disb, End Bal) Category	Amount per Gateway	Amount Per Township Ledger	Difference
2011	Township	Receipt	29,524.15	38,543.08	(9,018.93)
2011	Township	Disbursement	14,226.44	13,483.11	743.33
2011	Township	End Balance	215,971.80	225,734.06	(9,762.26)
2011	Township Assistance	Receipt	7,847.39	8,968.57	(1,121.18)
2011	Township Assistance	End Balance	42,516.35	43,637.53	(1,121.18)
2011	Payroll Withholding	Receipt	-	459.00	(459.00)
2011	Payroll Withholding	End Balance	-	459.00	(459.00)
2011	Park	Receipt	1,017.29	2,089.20	(1,071.91)
2011	Park	End Balance	6,595.35	7,667.26	(1,071.91)
2012	Township	Beg Balance	241,893.83	225,734.06	16,159.77
2012	Township	Receipt	13,019.31	13,351.71	(332.40)
2012	Township	Disbursement	43,612.62	15,683.89	27,928.73
2012	Township	End Balance	211,300.52	223,401.88	(12,101.36)
2012	Township Assistance	Beg Balance	42,516.35	43,637.53	(1,121.18)
2012	Township Assistance	Receipt	8,187.92	6,467.18	1,720.74
2012	Township Assistance	Disbursement	7,804.73	8,004.55	(199.82)
2012	Township Assistance	End Balance	42,899.54	42,100.16	799.38
2012	Fire	Receipt	61,236.89	42,735.58	18,501.31
2012	Fire	End Balance	7,005.92	(11,495.39)	18,501.31
2012	Payroll Withholding	Beg Balance	-	459.00	(459.00)
2012	Payroll Withholding	Receipt	-	459.00	(459.00)
2012	Payroll Withholding	Disbursement	-	459.00	(459.00)
2012	Payroll Withholding	End Balance	-	459.00	(459.00)
2012	Park	Beg Balance	-	7,667.26	(7,667.26)
2012	Park	Receipt	-	32.46	(32.46)
2012	Park	End Balance	-	7,699.72	(7,699.72)
2013	Township	Beg Balance	211,300.52	223,401.88	(12,101.36)
2013	Township	Receipt	18,662.87	24,921.72	(6,258.85)
2013	Township	Disbursement	15,262.47	14,803.47	459.00
2013	Township	End Balance	214,700.92	233,520.13	(18,819.21)
2013	Township Assistance	Beg Balance	35,047.54	42,100.16	(7,052.62)
2013	Township Assistance	Receipt	8,660.78	13,554.54	(4,893.76)
2013	Township Assistance	End Balance	35,047.54	46,994.32	(11,946.78)
2013	Fire	Beg Balance	-	(11,495.39)	11,495.39
2013	Fire	Receipt	86,000.00	85,784.39	215.61
2013	Fire	End Balance	-	(11,711.00)	11,711.00
2013	Payroll Withholding	Beg Balance	-	459.00	(459.00)
2013	Payroll Withholding	Receipt	-	459.00	(459.00)
2013	Payroll Withholding	Disbursement	-	459.00	(459.00)
2013	Payroll Withholding	End Balance	-	459.00	(459.00)
2013	Park	Beg Balance	-	7,699.72	(7,699.72)
2013	Park	Receipt	-	16.23	(16.23)
2013	Park	End Balance	-	7,715.95	(7,715.95)

- The following fund had overdrawn cash balances at December 31:

Year	Fund	Amount Overdrawn
2011	Firefighting	\$ 11,495.39
2012	Firefighting	11,711.00

- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Firefighting	\$ 30,000.00
2012	Township Assistance	1,005.00
2012	Firefighting	7,360.00
2013	Township Assistance	1,660.00
2013	Firefighting	22,620.00

- *The following receipts were not properly posted to the Township Ledger:*

<u>Date</u>	<u>Amount</u>	<u>Fund Posted to</u>	<u>Correct Fund to be Posted to</u>
12/7/2012	\$ 16.23	Township Assistance	Recreation
12/28/2012	2,325.81	Not posted	Township Assistance
12/28/2012	18,876.94	Not posted	Firefighting
12/28/2012	7,680.60	Not posted	General
5/10/2013	147.57	Firefighting	General
5/10/2013	70.20	Firefighting	Township Assistance
5/10/2013	16.23	Firefighting	Recreation
5/10/2013	139.00	Firefighting	Firefighting
6/21/2013	333.68	Township Assistance	General
6/21/2013	9,885.02	Firefighting	General
12/17/2013	195.66	Not posted	General
12/17/2013	38.34	Not posted	Township Assistance
12/17/2013	138.00	Not posted	Firefighting
12/20/2013	1,965.07	Firefighting	Township Assistance
12/20/2013	6,489.29	Firefighting	General

- *The Township did not adopt a resolution establishing salaries of Township officers and employees.*
- *The Township paid compensation to the Trustee, Clerk, and Board members in advance of the actual date the services were provided. The Trustee and Clerk were paid at the beginning of the month, for the month. The Board members were paid in November 2011 and October 2013, for the respective years.*
- *Employees, other than the Trustee, of the Township were paid without the Township withholding federal, state, and local taxes.*
- *W-2s were not issued for all Township employees in 2011.*
- *Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was incomplete for 2013. The report did not include all employees of the Township.*

- *Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for 2012. The 2012 Form 100-R stated the Trustee's total compensation was \$7,200, but the Trustee actually was paid \$6,000 in 2012.*
- *Three payments were observed which did not contain adequate supporting documentation. These payments were for mileage reimbursements to the Township Trustee.*
- *The Annual Financial Report for 2011 was not filed electronically until March 8, 2012, which is 8 days past the due date.*
- *The Township did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the State Board of Accounts for 2011. The report was filed on May 23, 2012, which is 113 days past the due date.*
- *The Township did not have the required meeting to review and adopt the Annual Financial Report in accordance with Indiana Code 36-6-6-9 for 2011, 2012, or 2013.*
- *The Trustee's Surety Bond was insufficient per the Indiana Code for 2011, 2012, and 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 or 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 or 2013.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on December 29, 2015, with Barbara Ooley, Trustee.

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