



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47107

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](http://www.in.gov/sboa)

October 31, 2016

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, BLACKFORD 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, 2012 to December 31, 2015, 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**

- *The Annual Financial Report (AFR) filed for 2012, 2013, 2014, and 2015 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per AFR</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2012	Levy Excess	Beginning Balance	\$ 98	\$ -	\$ 98
2012	Payroll Deductions	Beginning Balance	-	459	(459)
2012	Payroll Deductions	Receipts	-	459	(459)
2012	Levy Excess	Ending Balance	337	239	98
2012	Rainy Day	Ending Balance	490	-	490
2012	Payroll Deductions	Ending Balance	-	918	(918)
2013	Rainy Day	Beginning Balance	490	-	490
2013	Levy Excess	Beginning Balance	337	239	98
2013	Payroll Deductions	Beginning Balance	-	918	(918)
2013	Payroll Deductions	Receipts	-	459	(459)
2013	Rainy Day	Ending Balance	490	-	490
2013	Levy Excess	Ending Balance	337	239	98
2013	Fire Debt	Ending Balance	201	-	201
2013	Payroll Deductions	Ending Balance	-	1,377	(1,377)

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per AFR</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2014	Rainy Day	Beginning Balance	490	-	490
2014	Levy Excess	Beginning Balance	337	239	98
2014	Payroll Deductions	Beginning Balance	-	1,377	(1,377)
2014	Payroll Deductions	Receipts	-	375	(375)
2014	Rainy Day	Ending Balance	490	-	490
2014	Levy Excess	Ending Balance	344	246	98
2014	Payroll Deductions	Ending Balance	-	1,752	(1,752)
2015	Levy Excess	Beginning Balance	344	245	99
2015	Payroll Deductions	Beginning Balance	-	1,752	(1,752)
2015	Payroll Deductions	Receipts	-	459	(459)
2015	Levy Excess	Ending Balance	344	245	99
2015	Payroll Deductions	Ending Balance	-	2,211	(2,211)

- The total of the individual fund (subsidiary) balances did not agree with the Total All Funds (control) balance for 2012, 2013, 2014, and 2015. Balances were not always carried forward from one year to another year in the Financial and Appropriation Record.
- The records presented indicated the following disbursements in excess of budgeted appropriations:


<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2015	Township	\$ <u>2,015</u>

- The Township did not have the required meeting to review and adopt the AFR.
- The AFRs for 2014 and 2015 were not filed electronically until March 25, 2015, and April 19, 2016, which were 24 days and 50 days late.
- Receipts were deposited later than the first and the fifteenth of the month in seventeen instances during the reporting period.
- A review of payroll check dates indicated eight out of twelve salary payments were paid as much as twenty days in advance of the actual date the services were provided in 2012, 2013, and 2014.
- Township Board approval of salaries was not presented for the years 2012, 2013, 2014, and 2015.
- Payroll taxes were withheld for all employees, however, these withholdings were not remitted to the Internal Revenue Service for the years 2012, 2013, 2014, and 2015.
- Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records for 2012, 2013, and 2014.
- The Trustee was not properly bonded for 2012, 2013, and 2014.
- Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.
- 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, 2013, 2014, or 2015.

- *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, 2013, 2014, and 2015.*

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 September 13, 2016, with Amy Payne, Trustee, and James Thurman, former Trustee. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner