

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WABASH TOWNSHIP

TIPPECANOE COUNTY, INDIANA

January 1, 2011 to December 31, 2015



FILED
06/16/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Julia Byers	01-01-11 to 12-31-18
Chairman of the Township Board	Dale Workman	01-01-11 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WABASH TOWNSHIP, TIPPECANOE COUNTY, INDIANA

This report is supplemental to our examination report of Wabash Township (Township), for the period from January 1, 2011 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Examination Report of the Township, which provides our opinion on the Township's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

April 18, 2017

WABASH TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSITORY RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations did not balance.

As of December 31, 2011, the bank account reconciliation identified cash-necessary-to-balance amount of \$362.79.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

APPROPRIATIONS

The records presented indicated the following disbursements in excess of budgeted appropriations:

Years	Fund	Excess Amount Disbursed
2011	Cumulative Fire	\$ 245,201.03
2011	Rainy Day	111,047.99
2012	Township	10,157.90
2013	Township	5,323.53
2013	Cumulative Fire	38,503.63
2014	Township	10,568.40

Indiana Code 6-1.1.18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

APPROVAL OF SALARIES

The Township Board did not establish the salaries of Township officers and employees for 2011 or 2012.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages . . .

of all officers and employees of the township."

WABASH TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CREDIT CARD POLICY

The Township did not have a credit card policy approved by the Township Board for 2011, 2012, and 2013.

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing body must authorize credit card use through an ordinance /resolution, which has been approved in a meeting and documented in the minutes.
2. Issuance and use must be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of the responsible officer or employee.
8. If authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ANNUAL FINANCIAL REPORT

The Annual Financial Reports (AFR) filed on Gateway did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Overstated</u>
2012	Cumulative Fire	\$ 800,000
2013	Cumulative Fire	800,000

WABASH TOWNSHIP, TIPPECANOE COUNTY
 EXAMINATION RESULTS AND COMMENTS
 (Continued)

After notification, the Trustee resubmitted the 2015 AFR with the corrections made.

The AFR submitted for 2015 contained a PAYROLL DEDUCTIONS fund that had not been previously reported. The difference between the 2015 AFR beginning and ending balances and the financial statements were immaterial.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OVERDRAWN CASH BALANCE

The following fund had an overdrawn fund balance reported in the financial statements at December 31:

Year	Fund	Amount Overdrawn
2015	PAYROLL DEDUCTIONS	\$ 191

The reported negative balance is due to the PAYROLL DEDUCTIONS fund not being previously reported in the financial statements.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

WABASH TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 18, 2017, with Julia Byers, Trustee.