

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

FINANCIAL STATEMENTS REVIEW REPORT

OF

WASHINGTON TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2016 to December 31, 2020



FILED

06/07/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert E. Arnold	01-01-16 to 12-31-22
Chair of the Township Board	Dennis Jackson	01-01-16 to 12-31-16
	Daniel Andorfer	01-01-17 to 12-31-18
	Ryan Day	01-01-19 to 12-31-19
	Brenda Heisler	01-01-20 to 12-31-22



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Washington Township (Township), for the period of January 1, 2016 to December 31, 2020. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Township's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a regulatory basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. This includes determining that the basis of accounting the Township uses is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT
(Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the prescribed basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. Our conclusion is not modified with respect to this matter.



Beth Kelley, CPA, CFE
Deputy State Examiner

May 17, 2022

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

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WASHINGTON TOWNSHIP, ALLEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2016 and 2017

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16	Receipts	Disbursements	Cash and Investments 12-31-17
TOWNSHIP FUND	\$ 44,598	\$ 47,024	\$ 57,983	\$ 33,639	\$ 61,832	\$ 64,904	\$ 30,567
EMS	18,514	90,554	89,137	19,931	91,797	80,251	31,477
RECREATION	2,547	-	2,527	20	6,985	4,615	2,390
TOWNSHIP ASSISTANCE	9,354	213,253	144,892	77,715	203,111	131,481	149,345
FIRE FIGHTING FUND	90,349	133,504	117,962	105,891	150,096	112,608	143,379
RAINY DAY FUND	13,029	16,630	4,363	25,296	-	-	25,296
LEVY EXCESS	22	-	-	22	-	-	22
CUMULATIVE FIRE FUND	376,798	95,597	206,312	266,083	57,484	32,466	291,101
EMS EQUIPMENT	13,473	-	298	13,175	-	-	13,175
PAYROLL DEDUCTIONS	(31)	27,913	27,913	(31)	25,444	25,378	35
Totals	<u>\$ 568,653</u>	<u>\$ 624,475</u>	<u>\$ 651,387</u>	<u>\$ 541,741</u>	<u>\$ 596,749</u>	<u>\$ 451,703</u>	<u>\$ 686,787</u>

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

WASHINGTON TOWNSHIP, ALLEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2018 and 2019

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18	Receipts	Disbursements	Cash and Investments 12-31-19
TOWNSHIP FUND	\$ 30,567	\$ 113,406	\$ 60,863	\$ 83,110	\$ 93,102	\$ 125,402	\$ 50,810
EMS	31,477	123,416	76,516	78,377	132,062	91,052	119,387
RECREATION	2,390	12,063	9,664	4,789	7,650	6,336	6,103
TOWNSHIP ASSISTANCE	149,345	118,227	155,238	112,334	207,796	318,226	1,904
FIRE FIGHTING FUND	143,379	145,833	112,072	177,140	155,861	134,408	198,593
RAINY DAY FUND	25,296	-	-	25,296	-	-	25,296
LEVY EXCESS	22	-	-	22	2,267	-	2,289
CUMULATIVE FIRE FUND	291,101	97,830	215,070	173,861	61,987	70,321	165,527
EMS EQUIPMENT	13,175	3,320	850	15,645	1,829	-	17,474
PAYROLL DEDUCTIONS	35	25,007	24,941	101	29,088	29,109	80
Totals	<u>\$ 686,787</u>	<u>\$ 639,102</u>	<u>\$ 655,214</u>	<u>\$ 670,675</u>	<u>\$ 691,642</u>	<u>\$ 774,854</u>	<u>\$ 587,463</u>

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

WASHINGTON TOWNSHIP, ALLEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20
TOWNSHIP FUND	\$ 50,810	\$ 56,460	\$ 102,639	\$ 4,631
EMS	119,387	93,365	97,061	115,691
RECREATION	6,103	10,599	10,063	6,639
TOWNSHIP ASSISTANCE	1,904	331,379	665,614	(332,331)
FIRE FIGHTING FUND	198,593	90,705	170,731	118,567
RAINY DAY FUND	25,296	-	-	25,296
LEVY EXCESS	2,289	-	-	2,289
CUMULATIVE FIRE FUND	165,527	72,794	74,781	163,540
EMS EQUIPMENT	17,474	3,342	1,663	19,153
PAYROLL DEDUCTIONS	80	28,728	28,187	621
Totals	\$ 587,463	\$ 687,372	\$ 1,150,739	\$ 124,096

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

WASHINGTON TOWNSHIP, ALLEN COUNTY
NOTES TO FINANCIAL STATEMENTS

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), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

WASHINGTON TOWNSHIP, ALLEN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed 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.

Supplies. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, make transfers 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.

WASHINGTON TOWNSHIP, ALLEN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for amounts 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 amounts 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.

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 or highway use taxes are received 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 December 31 of the year preceding the budget year or January 15 of the budget year if the Township is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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, should be 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 statutes authorize the Township to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

WASHINGTON TOWNSHIP, ALLEN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Cash Balance Deficits

The financial statements contain some funds with deficits in cash. The Township Assistance fund had a cash balance deficit as of December 31, 2020, due to overspending during the COVID-19 pandemic.

Note 7. Subsequent Events

On November 12, 2021, the Township Board approved a resolution authorizing a General Obligation Advancement Fund Note (Note) of \$600,000 to be credited to the Township Assistance fund. The purpose of the Note is ". . . procuring funds in an amount sufficient to provide funds for poor relief services required to be provided within the Township." Four semi-annual lease payments, each with \$150,000 principal value, begin on June 30, 2022, and end on December 31, 2023.

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

A similar comment also appeared in prior Report B47569.

Condition and Context

The Township paid \$181 in penalties and interest to its credit card vendors throughout 2020.

Criteria

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 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 unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONTRACTS

A similar comment also appeared in prior Report B46757.

Condition and Context

Payments made for mowing were not supported by written contracts. The lack of support from written contracts was a systemic issue throughout the review period.

Criteria

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROPRIATIONS

A similar comment also appeared in prior Report B46757.

Condition and Context

The following funds had disbursements in excess of budgeted appropriations by the amounts shown below:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township Assistance	2019	\$ 145,276
Township Assistance	2020	391,664

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

Criteria

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."

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B46757.

Condition and Context

The Township did not provide documentation of the review and approval of its Annual Financial Report for 2016, 2017, 2019, and 2020.

Criteria

Indiana Code IC 36-6-6-9(a) states: "The legislative body shall meet on or before the third Tuesday after the first Monday in February of each year. At this meeting it shall consider and approve, in whole or in part, the annual report of the executive presented under [IC 36-6-4-12](#)."

CREDIT CARDS

A similar comment also appeared in prior Report B46757.

Condition and Context

The Township had credit cards in use throughout the review period without a Township Board approved credit card policy in place. In addition, for each of the 8 credit card disbursements tested, the Township had not retained paid bills, invoices and/or receipts to support the expenditures.

Criteria

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

1. The governing board 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 should 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.

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

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)

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 1)

ANNUAL NEPOTISM AND CONTRACTING CERTIFICATIONS

A similar comment also appeared in prior Report B46757.

Condition and Context

Each elected officer did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) or Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2016, 2017, 2018, 2019, and 2020.

Criteria

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

BOARD MINUTES MISSING

A similar comment also appeared in prior Report B46757.

Condition and Context

Board minutes of meetings of the Township Board for 2016, 2019, and 2020 were not presented for review.

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 36-6-6-8 states:

"The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive. The secretary of the legislative body shall, under the direction of the legislative body, record the minutes of the proceedings of each meeting in full and shall provide copies of the minutes to each member of the legislative body before the next meeting is convened. After the minutes are approved by the legislative body, the secretary of the legislative body shall place the minutes in the permanent record book. The chair of the legislative body shall retain the record in the chair's custody."

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior Reports B43112 and B46757.

Condition and Context

The Township had not performed monthly bank reconciliations in a timely manner throughout the review period. Of the 12 bank reconciliations tested, each was completed at least 3 months after month-end, with an average of 5 months passed before the bank reconciliation was completed.

In addition, the December 31, 2020 bank reconciliation provided did not balance, as the Township had not reconciled all depository accounts to the ending cash and investment balance reported in its Annual Financial Report. As a result, the financial statements ending cash and investments balance was \$2,901 less (cash long) than the adjusted bank balance.

Criteria

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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

STALE DATED OUTSTANDING CHECKS (WARRANTS)

Condition and Context

The Township's December 31, 2020 bank reconciliation included 40 checks, totaling \$16,972, that had been outstanding and unpaid for two or more years. Of this amount, \$7,962 in checks should have been voided and receipted during the review period, \$873 should have been voided and receipted by March 1, 2021, and \$8,137 should have been voided and receipted by March 1, 2022.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS

Condition and Context

The Township Board had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts. In addition, Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

WASHINGTON TOWNSHIP, ALLEN COUNTY
 REVIEW RESULTS AND COMMENTS
 (Continued)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Township certified on the Annual Financial Reports that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(g); however, the Trustee indicated that the Township Board had not adopted the minimum internal control standards.

In addition, the Township certified on the Annual Financial Reports that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township Board; however, the Trustee indicated that all personnel had not received training concerning the internal control standards.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

TOWNSHIP ASSISTANCE SHELTER AND SUPPORTING DOCUMENTATION

Condition and Context

The Township provided temporary shelter to residents via Township Assistance fund payments to local area hotels and motels. The Township did not maintain adequate supporting documentation to support these payments, such as detailed invoices from the vendors. This was a systemic issue throughout the review period. In addition, the Township disbursed in excess of \$100,000 for temporary shelter from the Township Assistance fund in 2018, 2019, and 2020 without required approval by the county executive. Total amounts paid for temporary shelter throughout the review period are noted below:

Vendor	2016	2017	2018	2019	2020
Economy Inn	\$ 26,135	\$ 24,840	\$ 22,970	\$ 27,045	\$ 44,880
Travel Inn	8,420	20,620	25,530	42,565	27,995
Relax Inn	1,600	15,825	150	-	-
Rodeway Inn	450	-	2,750	45,845	100,770
Motel 6 / Studio 6	453	-	-	-	-
Regency Inn	410	15,861	44,667	49,660	82,185
Motel 6 - Fort Wayne	219	-	-	-	-
Hoosier Inn	-	-	12,655	73,020	201,910
Suburban Extended Stay Motel	-	-	200	-	49,465
Travelodge/Wyndham	-	-	-	-	12,823
Wayne Motel	-	-	-	-	150
Hawthorn Suites/Wyndham	-	-	-	600	5,604
Totals	\$ 37,687	\$ 77,146	\$ 108,922	\$ 238,735	\$ 525,782

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

Criteria

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 1)

Indiana Code 12-20-17-2 states in part:

". . . (b) A township trustee may establish, purchase, acquire, maintain or operate a shelter for eligible township assistance households needing temporary housing assistance. . . .

(d) A township having a population of at least eight thousand (8,000) may not expend more than one hundred thousand dollars (\$100,000) to implement this section without the approval of the county executive. . . ."

TOWNSHIP ASSISTANCE STANDARDS

Condition and Context

Township Assistance standards were not established in accordance with Indiana Code 12-20-5.5-1. The Township had not provided any Township Board approved Township Assistance standards for review.

Criteria

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed.

WASHINGTON TOWNSHIP, ALLEN COUNTY
REVIEW RESULTS AND COMMENTS
(Continued)

(c) The township trustee shall annually certify that the uniform written standards for the issuance of township assistance have been filed with the board of county commissioners as required under subsections (b)(2). The certification shall be noted in the township's budget submitted to the department of local government finance's computer gateway under [IC 6-1.1-17-3](#)."

OVERDRAWN CASH BALANCES

Condition and Context

The Township Assistance fund had an overdrawn cash balance of \$332,331 as of December 31, 2020.

Criteria

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)

WASHINGTON TOWNSHIP, ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2022, with Robert E. Arnold, Trustee; Susan Richards, Clerk; and Daniel Andorfer, Township Board member.