



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B60177

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November 9, 2022

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, RUSH 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), Rush County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifonline.org](http://www.gateway.ifonline.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.

**Comments**

**CAPITAL ASSETS**

*Condition and Context*

The Township had not adopted a capital assets policy during the engagement period. The Township had not completed a detailed listing of capital assets. In addition, the Township had not conducted a physical inventory or kept record of its capital assets.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

## **MONTHLY AND ANNUAL UPLOADS**

### *Condition and Context*

As of the date of this report, the Township had not uploaded all required monthly and annual engagement uploads for 2018, 2019, 2020, and 2021 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1.

### *Criteria*

The following files and governmental unit information are required to be uploaded monthly by Townships:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually:

- Year-end Investment Statements
- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule) and Amendments
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

(The Township Bulletin and Uniform Compliance Guidelines, December 2020)

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)

## **ADOPTION OF, AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B51725, entitled *ADOPTION OF INTERNAL CONTROL STANDARDS*.

### *Condition and Context*

The Township certified on the Indiana Gateway for Government Units financial reporting system that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, not all minimum internal control standards were included in the adopted resolution.

### *Criteria*

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

"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 . . .

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

"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](#)."

## **LATE FILING OF ANNUAL FINANCIAL REPORT**

### *Condition and Context*

For the years ended December 31, 2018, and December 31, 2020, the Annual Financial Reports were filed 332 days and 10 days late, respectively.

### *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](#)."

## **CONTRACTS**

### *Condition and Context*

The Township made payments in the amount of \$22,000 to Raleigh Community Club for community services that were not supported by a written contract.

### *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)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2021

Fund	Cash and Investments 12-31-21
Township	\$ 17,375
Township Assistance	4,859
Fire Fighting	19,917
TOWNSHIP INVESTMENTS	16,555
RAINY DAY FUND	<u>5,345</u>
Total	<u>\$ 64,051</u>

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

The contents of this report were communicated to Eric Elwell, Trustee, on October 18, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner