

WASHINGTON TOWNSHIP ADVISORY BOARD

1030 NORTH LINCOLN STREET SUITE 1400

GREENSBURG, IN 47240

ADVISORY BOARD MINUTES

FEBRUARY 21, 2023

Attendance: Bev Rivera- Trustee
Randy Hoeing- Advisory Board Member
Angie Morrow- Advisory Board Secretary
Jim Stewart- Advisory Board President
Sandy Nieman- Public
Danny Peters- Public
Jaime Rivera- Public
Lora Williams- Counsel
Lori Garringer- Trustee Clerk
Kathy Verseman- WTRE 1330
Emily Verseman- WTRE 1330

The meeting was called to order by Jim Stewart at 5:02 pm asking everyone in attendance to stand for the Pledge of Allegiance.

Previous minutes from meeting held on January 31, 2023, were available for review. There were 2 changes made to correct spelling and change wording to clarify statement. Randy made a motion to approve the minutes. Angie seconded the motion. Jim stated that everyone who approves signify by saying aye. Randy- Aye, Angie- Aye, Jim-Aye.

➤ **Old Business:**

- **Bank reconciliations:** Lori has been working on bank reconciliations. When Bev first took office, the books were \$300,000 out of balance. After much work, Lori has that discrepancy down to \$145. Lori at this time went over the report that she created to explain issues that were found during the bank reconciliation process. (PowerPoint presentation attached). Jim asked if there were any questions for Lori. No one had any.
- **First Federal Account:** Bev stated that this account has been closed. It had approx. \$65 in the account. This would be put into the account that has the debit card. (Bev edit – this actually went into the checking account)
- **Brand ReNew invoice update from Lora Williams:** After reviewing email conversations between Bev and Chris Dorman of Brand Renew, there were several reasons as to why that invoice should not be paid. Lora sent a letter to them on 2-15-23 that stated the Township had chosen not to pay the invoice; (Strongest reason) The invoice was presented to previous Trustee and was chosen to not be paid prior to him leaving office. That was an indication that services had not been performed according to the contract that Brand ReNew had presented. To further re-enforce that position; there was not a working website, no drafts were given to the board to review (to our knowledge) and the invoice had been presented to current Trustee 14-15 months after the contract was agreed to. There has not been any response from Brand ReNew currently.
- **Establish guidelines for larger expenses and contracts:** Bev is requesting (as discussed at previous meeting on 1-31-23) the Board establish guidelines for the Trustee to follow as to when the Trustee Office should present expenses and contracts to the board for review and guidance. This would help with oversight, transparency and eliminating items such as 2 websites being created for the same function. Jim opened the floor for discussion. Randy asked if there was a certain amount that Bev would like to use as a trigger for this discussion. Bev said she was thinking \$5,000 or above and any contract would be a good start. Angie asked if \$5,000 was in line with what the commissioners

used as a guideline. Danny Peters stated the commissioner had an amount of \$75,000 that had to be presented to the board. Angie made a motion that the Trustee present any expenditures of \$5,000 or more and any contracts that are in consideration to be presented to the board prior to execution. Randy seconded the motion. Jim stated anyone who approves signify by saying aye. Angie- aye, Randy- aye and Jim- aye.

- **Internal Controls Policy:** Jim had provided Bev with a binder of previous term information that he had collected from serving on the board. Bev had reviewed them and found an Internal Controls Policy that was adopted by the previous board. She gave the current board and Lora Williams a copy at the meeting to review for the next meeting to discuss. Action item for the board is to look over documents provided and bring changes or items of discussion to next board meeting.
- **Office files and records are more organized:** Kay Nobbe was hired (temporarily) to help organize the office. She had done a great job. She made a binder of minutes for the last 4 years, put every check in order from the last 4 years and those sorts of things. There are still a lot of old boxes of old records- from 30-50 years ago. There is a meeting of March 10th to ask for certain records to be destroyed that may not be on the schedule from Janet Chadwell. For example, there is a large box of dog tags, if it is not on the schedule then they can get them recycled or sold for scrap. Bev and Lori will be working on that.
- **SBOA audit- documents are sent to them:** SBOA is not doing an audit of 2022. They are doing an investigation of 2022 not a full audit. They are investigating certain transactions and situations and have asked for documentation to be provided for this investigation. If a full 2022 audit is wanted, it must be done by the Trustee Office. We are on the schedule for the SBOA to audit but it is unknown at this time when it will take place. If Bev and Lori find anything that warrants an audit at this time, they will refer to counsel.
- **Payroll tax update:** \$106,000 were paid at the end of the year to state and federal as previously discussed. Bev has found that some interest has been paid. The exact amount due in interest is unknown currently. On the Indiana Department of Revenue account that is online, a letter was sent by the former trustee asking for leniency on paying penalties and interest. The reason given was the clerk did not have knowledge that the accounting software did not pay them. However, there is record of 3 payments being made and account balances was showing an increase balance at the end of the month. There are also nearly 100 letters in the state payroll account and those would have mailed as well. These things prove they were aware of the necessity of filing the taxes. The US Treasury has not had any communication with the office. Jim asked the board if they had any more old business.

➤ **New Business:**

- **Present 2022 Annual Report:** Bev presented the annual report to the board prior to this meeting. Bev discussed items that were needing to be changed. Example: In the township fund (general fund), Brindlee Mountain Fire Apparatus for \$5,400- description on the invoice said 2002 KNE Engine Pumper. Could that be moved to the Fire Fund? Everyone agreed it should be. Multiple examples were given of other transactions that can be moved from fire to general and others in general that should go to fire. Fire truck insurance was paid by the city and the township reimbursed them. This could be moved to fire. The payment of payroll taxes was moved to the appropriate accounts. It was pointed out that Christian Rust's salary of \$71,881.26 includes the \$30,000 check that he received at the end of the year. That is one of the items the SBOA is investigating. Bev just wanted to clarify it was not all his approved salary. Jim questioned the \$200 fee for baby box. Bev stated that is for software that triggers an alarm if a baby is placed in the box. This is an annual expenditure. (edit by Bev – this is the annual lease fee. There is also a monitoring fee paid to JAF Property Services).

Randy explained a payment to Five Alarm Leadership was the cost of a speaker at one of their trainings. This expense was shared with another fire dept, who sent that money to the fire dept. We will have a credit with the fire dept for that amount. Randy questioned \$106,000 spent on fire sirens. He and Bev will look in to those and get a location on each them. *Several more items were discussion and explained. Totals were correct, just "Buckets" needed to be adjusted within each fund. Updated Annual Report is available at Trustee office for review.* Jim asked if there was a motion to approve the Annual Financial Report with the adjustments. Randy made the motion to approve the report with pending adjustments. Angie seconded. Randy- aye, Angie- aye, Jim- aye.

- **Contract with Reuben Cummings of GFC:** Lori and Bev met with Reuben Cummings (Financial Consultant to the County) to discuss him working for the Trustee Office. His fee is \$2,800 for the year. The contract was sent to the board prior to the meeting to review. Angie made the motion to approve the contract. Randy seconded. Randy- aye, Angie- aye, Jim- aye. Each member of the board signed their approval of the contract.
- **2023 Budget and YTD 2023 Transactions:** Bev again, had sent these to the board prior to meeting. The transactions show the disbursement that has occurred thus far. The firetruck payment (\$134,396) and income for this year (\$10,194.83 X 2) is not showing yet. That is mostly because some things cannot be added until 2022 is closed out in the accounting software. Bev said she would be furnishing the monthly to the Board for review. 2023 Budget was handed out. The discrepancy between TOMS Web and actual amounts are included in the handout. The only thing that is not accounted for is the appropriation for \$50,000 for Township Assistance at the end of the year. Bev asked if there were any additional appropriation that she was unaware of. There were not any. Bev is still investigating what was spent on these appropriations. Of the \$50,000- \$7,600 was spent on Township Assistance. It is assumed that the money was spent on payroll taxes, Coonrod, etc. Township Assistance cash balance overall left for 2023 is \$43,000. There is not any tax levy this year for Township Assistance. The Trustee can go to the state and appeal for more money. The state had reduced the budget for 2023 due to previous Trustee eliminating tax levy and the excessive spending from last year. Bev said it is going to be tight, but she will make it work. Sandy Nieman asked Bev is she was aware of Hospital Foundation's Claim Aid? She said she would be willing to support Bev with getting more information about that assistance.
- **Fire Contract:** Mayor Josh Marsh and the fire Chief have asked to meet to start discussions on the Fire Contract. Board member Randy Hoeing will be supporting this contract discussion.
- **PERF change of contribution for employee share:** Previous Trustee and employee had the Township pay for the employee's share of the PERF. Bev has asked that the employees pay their own share. Randy made a motion to approve the employee's paying their 3% share of PERF. Angie seconded. Randy- aye, Angie- aye, Jim- aye. Jim signed this agreement.
- **Township health insurance plan:** Bev would like to investigate a health insurance plan for township employees. Discussion was held about it being a health insurance plan, this is not for reimbursement of medical expenses. There is a budget for the township to pay a certain dollar amount (\$15,000) towards the trustee's insurance premium. This can only be used for an insurance plan on an established group plan in the township's name. Randy made a motion to allow Bev to pursue looking for health insurance plan for employee. Angie seconded. Randy- aye, Angie- aye, Jim- aye.
- **Lawn care contracts:** It's time to start bids for lawn care of the cemeteries for the summer. Bev will be publishing in the newspaper as well as social media for bids for this contract.
- Envoy Construction called Bev on 2-20-23. The township has received multiple invoices for the contract with them. The latest is for \$54,000 to clean up Lake McCoy. Bev asked them pause on that and no proceed, saying the contract did not exceed beyond the

term of the previous trustee. Bev has been looking for the contract. She has not found one with any dollar amount that was contracted. Envoy is requesting payment of \$48,000 as a buyout of the contract. Bev will be giving all information to Lora Williams.

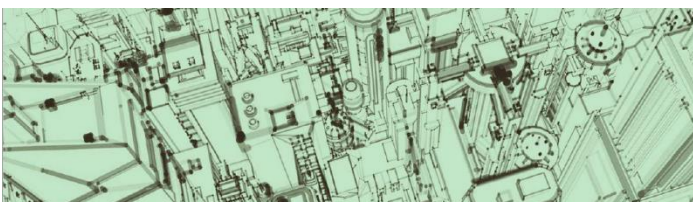
- **Next meeting is for April 11th at 5:00pm.**
- Jim opened the floor for discussion. Sandy said she would be happy to help with claim aid.
- Randy made a motion to adjourn the meeting. Angie seconded. Randy -Aye, Angie -Aye, Jim -Aye. Meeting ended at 6:43 pm.

_____ Jim Stewart, President

_____ Angie Morrow, Secretary

_____ Randy Hoeing

_____ Date of Approval



Internal Audit Summary

1. Bank Reconciliations needed to be done in the system for the past year in order to find a Funds To Bank Balance Discrepancy of over \$300,000
2. Reconciliations had not been completed in the system for some accounts in over 12 months

Summary - Internal Audit, January 2023

- Checks Missing from System: 13 \$ 2,335.75
- Checks Entered With Incorrect Check Numbers and/or amounts: 44 \$183,706.06 +
- Checks Written, but Never Mailed: 3 \$ 6,540.00
(Invoices received later for some of these and rewritten Coonrod #8042 \$8,343.00, #8180 Meals on Wheels \$100.00, Tree City Village: #7345 \$300)
- Paper Checks Void, not entered in system 7 Net effect zero
- Transactions Entered in Wrong Bank 1 \$ 106.99
- Checks from 2019 & 2022 paid to wrong agency 6 \$ 125.28 (affected)
 - PERF paid to Indiana Dept of Revenue
- Payroll taxes unpaid for 4 years and then
 - Employer share paid from incorrect accounts
 - State/Co paid from incorrect deduction accounts
 - Programmers had to get involved to correct this
 - Payroll Taxes : \$106,908.24 all paid in one day. (16 Federal and 36 State Returns)

Summary – payroll taxes unpaid

- Payroll taxes unpaid for 4 years. 16 quarters \$ 25,740.75 posted incorrectly, \$26,111.42 was employer share of tax.

EXAMPLE:

Example of how tax paid was split in the funds

Employer Share SS & Medicare that Went to Fund	Should Go to Fund	Should Go to Fund
	101	840
+Gross x 7.65%	70% of Total	30% of Total
2019 \$ 5,796.75	\$ 4,057.73	\$ 1,739.02
2020 \$ 6,122.00	\$ 4,306.40	\$ 1,815.60
2021 \$ 7,015.50	\$ 5,040.85	\$ 1,974.65
2022 \$ 8,101.00	\$ 5,770.70	\$ 2,330.30
TOTAL TAX	\$ 24,135.45	\$ 9,279.57

How this transaction should have been split

Additionally: Total Tax was Underpaid by approximately \$1,000. Waiting for State Board of Accounts and IRS to determine exact amount. We will owe penalties & interest.

Summary - Example of PERF paid to Incorrect Agency

Detail for Check #121819.1		
NAPOLEON STATE BANK (4276)	12/18/2019	121819.1
9999.2/1 PERSONAL SERVICES		160.84
9999.3/1 PERSONAL SERVICES		74.70
0101/IBC PERF		25.06
0101/IBC PERF		6.23
TWO HUNDRED SIXTY-SIX -- AND 83/100		*****\$266.83
INDIANA DEPARTMENT OF REVENUE (1090)		
For:		
Cleared: 12/31/2019	Issued By: Charity Iwash 01/09/2020 12:43PM	Modified By: Last Access By: Charity Iwash 01/09/2020 12:43PM

- PERF should have been paid to Indiana Public Employees Retirement, not the Indiana Department of Revenue

Summary - Example of Transfer not Recorded as Cleared

- Transfer 10/17/22 from Trust Indiana not recorded/cleared in Napoleon State Bank acct xxx4268: \$1,656,755.22
- Corrections made to bank statements to clear this transaction.

Summary - Example of Interest Recorded Improperly

- Interest recorded from Decatur County Auditor rather than from Bank:

DATE	DESCRIPTION	AMOUNT	DEBIT	CREDIT	TYPE	STATUS
10/13/22	Decatur County Auditor INTEREST SHARD	1.76	1.76		INT	Y
10/13/22	Decatur County Auditor INTEREST SHARD	14.00	14.00		INT	Y
11/13/22	Decatur County Auditor INTEREST SHARD	3.76	3.76		INT	Y

- Interest for September, October, and November 2022 was credited as coming from the Decatur County Auditor – these should be from Napoleon Bank, so corrected these entries.

DATE	DESCRIPTION	AMOUNT	DEBIT	CREDIT	TYPE	STATUS
09/01/22	Napoleon State Bank INTEREST SHARD	1.76		1.76	INT	Y
10/01/22	Napoleon State Bank INTEREST SHARD	14.00		14.00	INT	Y
11/01/22	Napoleon State Bank INTEREST SHARD	3.76		3.76	INT	Y

Summary - Example of Adjustments possible – still working on this to find where the errors are.

Period	Description	Difference
1 Dec-21	Funds Balance out of Balance Inquiry December 2021	\$ 209.40
2 Jan 22	Bank Balance to Funds Balance	\$ 248.16
3 Dec 22	Funds Balance out of Balance Inquiry 2022 Funds: \$1,625,998.76 minus \$1,626,644.99 Bank	\$ 145.63
4 Dec-22	Bank Balance to Funds Balance	\$ 275.91

Bank Balance in Main Account December 31, 2022 \$ (166,035.43)

Note: Large checks were held several months because there was not enough money in the checking account to cover. It was necessary to transfer money from Indiana Trust to main checking account to cover tax payments made to IRS on last day of 2022.

Check #	Amount Type	Bank Balance	Bank Reconcil Transaction Details
3088	PAYROLL DEDUCTIONS	\$27,900.31	
****	TOTAL RECEIVED	\$27,900.31	

Adjusting entries for balancing will not be done per advice from State Board of Accounts.