

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

EXAMINATION REPORT
OF
WASHINGTON TOWNSHIP
TIPPECANOE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
05/10/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Kelly McKinley	01-01-07 to 12-31-10
Chairman of the Township Board	Stephen Mitchell	01-01-07 to 12-31-07
	Mary Killian	01-01-08 to 12-31-08
	Barbara Knochel	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Washington Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 25, 2010

WASHINGTON TOWNSHIP, TIPPECANOE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 27,060	\$ 60,182	\$ 46,261	\$ 40,981
Fire Fighting	99,466	102,181	88,130	113,517
Dog	190	-	190	-
Cumulative Fire	(6,667)	15,986	-	9,319
Township Assistance	25,043	-	718	24,325
Levy Excess	962	-	962	-
Recreation	461	25,982	10,811	15,632
Totals	<u>\$ 146,515</u>	<u>\$ 204,331</u>	<u>\$ 147,072</u>	<u>\$ 203,774</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 40,981	\$ 40,337	\$ 49,468	\$ 31,850
Fire Fighting	113,517	50,957	75,474	89,000
Cumulative Fire	9,319	7,160	-	16,479
Township Assistance	24,325	-	1,222	23,103
Levy Excess	-	2,605	-	2,605
Recreation	15,632	19,221	14,982	19,871
Rainy Day Fund	-	1,935	-	1,935
Totals	<u>\$ 203,774</u>	<u>\$ 122,215</u>	<u>\$ 141,146</u>	<u>\$ 184,843</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 31,850	\$ 110,732	\$ 55,337	\$ 87,245
Fire Fighting	89,000	145,024	86,139	147,885
Cumulative Fire	16,479	91,333	7,301	100,511
Township Assistance	23,103	-	4,992	18,111
Levy Excess	2,605	-	-	2,605
Recreation	19,871	48,450	14,682	53,639
Rainy Day Fund	1,935	2,380	-	4,315
Totals	<u>\$ 184,843</u>	<u>\$ 397,919</u>	<u>\$ 168,451</u>	<u>\$ 414,311</u>

The accompanying notes are an integral part of the financial information.

WASHINGTON TOWNSHIP, TIPPECANOE COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

The Township transferred the December 31, 2009 balances of the Firefighting Fund and the Cumulative Fire Fund to the newly established North East Tippecanoe Fire Territory.

WASHINGTON TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS

SALES TAX

Several instances of the Township paying sales tax were observed. A similar comment appeared in Report B31476.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks. A similar comment appeared in Report B31476.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

WASHINGTON TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 25, 2010, with Kelly McKinley, Trustee. The official concurred with our findings.