

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

WASHINGTON TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2011 to December 31, 2013



**FILED**  
11/07/2014



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#### SCHEDULE OF OFFICIALS

| <u>Office</u>                     | <u>Official</u>               | <u>Term</u>                                  |
|-----------------------------------|-------------------------------|--|
| Trustee                           | Frank T. Short                | 01-01-11 to 12-31-14                         |
| Chairman of the<br>Township Board | Joseph Simpson<br>David Smith | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-14 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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**INDEPENDENT ACCOUNTANT'S REPORT**

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

We have examined the accompanying financial statements of Washington Township (Township), for the period of January 1, 2011 to December 31, 2013. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on 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. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2011 to December 31, 2013.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2011 to December 31, 2013, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

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

August 21, 2014

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## FINANCIAL STATEMENTS

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.

WASHINGTON TOWNSHIP, MARION COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2011 and 2012

⌘

| Fund                | Cash and<br>Investments<br>01-01-11 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-11 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-12 |
|---------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Township            | \$ 1,447,804                        | \$ 911,047          | \$ 923,513          | \$ 1,435,338                        | \$ 605,176          | \$ 1,001,390        | \$ 1,039,124                        |
| Township Assistance | 569,868                             | 727,368             | 634,547             | 662,689                             | 919,889             | 750,308             | 832,270                             |
| Rainy Day           | 3,539,258                           | -                   | -                   | 3,539,258                           | -                   | 419,160             | 3,120,098                           |
| Payroll Deduction   | -                                   | 122,439             | 115,231             | 7,208                               | 146,964             | 153,832             | 340                                 |
| Small Claims Court  | 158,521                             | 1,524,328           | 1,645,737           | 37,112                              | 1,394,489           | 1,314,488           | 117,113                             |
| Constable Clearing  | -                                   | 157,064             | 157,064             | -                                   | 159,544             | 159,544             | -                                   |
| Totals              | <u>\$ 5,715,451</u>                 | <u>\$ 3,442,246</u> | <u>\$ 3,476,092</u> | <u>\$ 5,681,605</u>                 | <u>\$ 3,226,062</u> | <u>\$ 3,798,722</u> | <u>\$ 5,108,945</u>                 |

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

WASHINGTON TOWNSHIP, MARION COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

| Fund                | Cash and<br>Investments<br>01-01-13 | Receipts            | Disbursements       | Cash and<br>Investments<br>12-31-13 |
|---------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Township            | \$ 1,039,124                        | \$ 444,971          | \$ 1,016,397        | \$ 467,698                          |
| Township Assistance | 832,270                             | 903,009             | 857,267             | 878,012                             |
| Rainy Day           | 3,120,098                           | 2,005,077           | 4,624,079           | 501,096                             |
| Payroll Deduction   | 340                                 | 186,591             | 186,931             | -                                   |
| Small Claims Court  | 117,113                             | 1,427,068           | 1,320,856           | 223,325                             |
| Constable Clearing  | <u>-</u>                            | <u>153,923</u>      | <u>153,923</u>      | <u>-</u>                            |
| Totals              | <u>\$ 5,108,945</u>                 | <u>\$ 5,120,639</u> | <u>\$ 8,159,453</u> | <u>\$ 2,070,131</u>                 |

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

WASHINGTON TOWNSHIP, MARION 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. Receipts are recorded when received and disbursements are recorded when paid.

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 which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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 which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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, MARION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine 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.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfold 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 include outflows 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 which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfold 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, transfer money 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, MARION 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 money 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 money 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 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 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, 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, MARION 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. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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#### SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

WASHINGTON TOWNSHIP, MARION COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2011

|  | <u>Township</u>     | <u>Township<br/>Assistance</u> | <u>Rainy<br/>Day</u> | <u>Payroll<br/>Deduction</u> | <u>Small<br/>Claims Court</u> | <u>Constable<br/>Clearing</u> | <u>Totals</u>       |
|--|---------------------|--------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|---------------------|
| Cash and investments - beginning                   | \$ 1,447,804        | \$ 569,868                     | \$ 3,539,258         | \$ -                         | \$ 158,521                    | \$ -                          | \$ 5,715,451        |
| Receipts:  |                     |                                |                      |                              |                               |                               |                     |
| Taxes  | 170,363             | 374,623                        | -                    | -                            | -                             | -                             | 544,986             |
| Intergovernmental                                  | 368,169             | 342,814                        | -                    | -                            | -                             | -                             | 710,983             |
| Charges for services                               | 16,800              | -                              | -                    | -                            | -                             | -                             | 16,800              |
| Fines and forfeits                                 | 209,579             | -                              | -                    | -                            | -                             | 157,064                       | 366,643             |
| Other receipts                                     | 146,136             | 9,931                          | -                    | 122,439                      | 1,524,328                     | -                             | 1,802,834           |
| Total receipts                                     | <u>911,047</u>      | <u>727,368</u>                 | <u>-</u>             | <u>122,439</u>               | <u>1,524,328</u>              | <u>157,064</u>                | <u>3,442,246</u>    |
| Disbursements:                                     |                     |                                |                      |                              |                               |                               |                     |
| Personal services                                  | 524,519             | 281,824                        | -                    | -                            | -                             | 157,064                       | 963,407             |
| Supplies   | 27,032              | 7,201                          | -                    | -                            | -                             | -                             | 34,233              |
| Other services and charges                         | 370,962             | 345,522                        | -                    | -                            | -                             | -                             | 716,484             |
| Capital outlay                                     | 1,000               | -                              | -                    | -                            | -                             | -                             | 1,000               |
| Other disbursements                                | -                   | -                              | -                    | 115,231                      | 1,645,737                     | -                             | 1,760,968           |
| Total disbursements                                | <u>923,513</u>      | <u>634,547</u>                 | <u>-</u>             | <u>115,231</u>               | <u>1,645,737</u>              | <u>157,064</u>                | <u>3,476,092</u>    |
| Excess (deficiency) of receipts over disbursements | <u>(12,466)</u>     | <u>92,821</u>                  | <u>-</u>             | <u>7,208</u>                 | <u>(121,409)</u>              | <u>-</u>                      | <u>(33,846)</u>     |
| Cash and investments - ending                      | <u>\$ 1,435,338</u> | <u>\$ 662,689</u>              | <u>\$ 3,539,258</u>  | <u>\$ 7,208</u>              | <u>\$ 37,112</u>              | <u>\$ -</u>                   | <u>\$ 5,681,605</u> |

WASHINGTON TOWNSHIP, MARION COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012

|  | <u>Township</u>     | <u>Township<br/>Assistance</u> | <u>Rainy<br/>Day</u> | <u>Payroll<br/>Deduction</u> | <u>Small<br/>Claims Court</u> | <u>Constable<br/>Clearing</u> | <u>Totals</u>       |
|--|---------------------|--------------------------------|----------------------|------------------------------|-------------------------------|-------------------------------|---------------------|
| Cash and investments - beginning                   | \$ 1,435,338        | \$ 662,689                     | \$ 3,539,258         | \$ 7,208                     | \$ 37,112                     | \$ -                          | \$ 5,681,605        |
| Receipts:  |                     |                                |                      |                              |                               |                               |                     |
| Taxes  | 227,471             | 296,976                        | -                    | -                            | -                             | -                             | 524,447             |
| Intergovernmental                                  | 65,751              | 620,248                        | -                    | -                            | -                             | -                             | 685,999             |
| Charges for services                               | 13,200              | -                              | -                    | -                            | -                             | -                             | 13,200              |
| Fines and forfeits                                 | 201,598             | -                              | -                    | -                            | -                             | 159,544                       | 361,142             |
| Other receipts                                     | 97,156              | 2,665                          | -                    | 146,964                      | 1,394,489                     | -                             | 1,641,274           |
| Total receipts                                     | <u>605,176</u>      | <u>919,889</u>                 | <u>-</u>             | <u>146,964</u>               | <u>1,394,489</u>              | <u>159,544</u>                | <u>3,226,062</u>    |
| Disbursements:                                     |                     |                                |                      |                              |                               |                               |                     |
| Personal services                                  | 568,423             | 296,624                        | -                    | 153,832                      | -                             | 159,544                       | 1,178,423           |
| Supplies   | 25,481              | 4,369                          | -                    | -                            | -                             | -                             | 29,850              |
| Other services and charges                         | 405,786             | 449,315                        | 419,160              | -                            | -                             | -                             | 1,274,261           |
| Capital outlay                                     | 1,700               | -                              | -                    | -                            | -                             | -                             | 1,700               |
| Other disbursements                                | -                   | -                              | -                    | -                            | 1,314,488                     | -                             | 1,314,488           |
| Total disbursements                                | <u>1,001,390</u>    | <u>750,308</u>                 | <u>419,160</u>       | <u>153,832</u>               | <u>1,314,488</u>              | <u>159,544</u>                | <u>3,798,722</u>    |
| Excess (deficiency) of receipts over disbursements | <u>(396,214)</u>    | <u>169,581</u>                 | <u>(419,160)</u>     | <u>(6,868)</u>               | <u>80,001</u>                 | <u>-</u>                      | <u>(572,660)</u>    |
| Cash and investments - ending                      | <u>\$ 1,039,124</u> | <u>\$ 832,270</u>              | <u>\$ 3,120,098</u>  | <u>\$ 340</u>                | <u>\$ 117,113</u>             | <u>\$ -</u>                   | <u>\$ 5,108,945</u> |

WASHINGTON TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

|   | Township     | Township<br>Assistance | Rainy<br>Day | Payroll<br>Deduction | Small<br>Claims Court | Constable<br>Clearing | Totals       |
|---|--------------|------------------------|--------------|----------------------|-----------------------|-----------------------|--------------|
| Cash and investments - beginning                      | \$ 1,039,124 | \$ 832,270             | \$ 3,120,098 | \$ 340               | \$ 117,113            | \$ -                  | \$ 5,108,945 |
| Receipts:   |              |                        |              |                      |                       |                       |              |
| Taxes   | 187,211      | 240,700                | -            | -                    | -                     | -                     | 427,911      |
| Intergovernmental                                     | 33,845       | 660,771                | -            | -                    | -                     | -                     | 694,616      |
| Charges for services                                  | 10,800       | -                      | -            | -                    | -                     | -                     | 10,800       |
| Fines and forfeits                                    | 133,101      | -                      | -            | -                    | -                     | 153,923               | 287,024      |
| Other receipts  | 80,014       | 1,538                  | 2,005,077    | 186,591              | 1,427,068             | -                     | 3,700,288    |
| Total receipts  | 444,971      | 903,009                | 2,005,077    | 186,591              | 1,427,068             | 153,923               | 5,120,639    |
| Disbursements:  |              |                        |              |                      |                       |                       |              |
| Personal services                                     | 626,479      | 417,540                | -            | -                    | -                     | 153,923               | 1,197,942    |
| Supplies  | 25,306       | 6,033                  | -            | -                    | -                     | -                     | 31,339       |
| Other services and charges                            | 364,612      | 433,694                | 2,624,079    | -                    | -                     | -                     | 3,422,385    |
| Other disbursements                                   | -            | -                      | 2,000,000    | 186,931              | 1,320,856             | -                     | 3,507,787    |
| Total disbursements                                   | 1,016,397    | 857,267                | 4,624,079    | 186,931              | 1,320,856             | 153,923               | 8,159,453    |
| Excess (deficiency) of receipts over<br>disbursements | (571,426)    | 45,742                 | (2,619,002)  | (340)                | 106,212               | -                     | (3,038,814)  |
| Cash and investments - ending                         | \$ 467,698   | \$ 878,012             | \$ 501,096   | \$ -                 | \$ 223,325            | \$ -                  | \$ 2,070,131 |

WASHINGTON TOWNSHIP, MARION COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

|                                    | Ending<br>Balance |
|------------------------------------|-------------------|
| Governmental activities:           |                   |
| Machinery, equipment, and vehicles | \$ 1,700          |
| Total capital assets               | \$ 1,700          |

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WASHINGTON TOWNSHIP, MARION COUNTY  
OTHER REPORT

The report presented herein was prepared in addition to the official report prepared for:

Washington Township Small Claims Court

WASHINGTON TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

**OPTICAL IMAGES OF CHECKS**

The financial institution did not return the actual cancelled checks or optical images with the monthly bank statements on the following bank accounts:

- 2011 - The optical image of the check was included with the bank statements; however, it was only of the front side of the checks.
- 2012 - The optical image of the check was included on a CD but was only of the front side of the checks.
- 2013 - The CD provided for December only included the bank statement and no optical images of the checks.

A similar comment appeared in the prior report.

Indiana Code 5-15-6-3 states in part:

"(a) As used in this section, '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 described in subsection (e); and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment or the depositor receives an optical image of the deposit document after the document has been processed for the deposit.

. . . (d) No financial records or records relating thereto shall be destroyed until the earlier of the following actions:

- (1) the audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced as described in subsection (e)."

WASHINGTON TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 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)."

***TIMELY DEPOSITS***

Receipts were deposited later than the first and fifteenth of the month. Of the 60 receipts tested 12 were not deposited timely.

Indiana Code 5-13-6-1(c) states in part: ". . . public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

WASHINGTON TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2014, with Frank T. Short, Trustee; Lori McQuarrie, Chief of Staff; and Beth Marsh, Accountant.



FRANK T. SHORT, TRUSTEE

# OFFICE OF THE WASHINGTON TOWNSHIP TRUSTEE

MARION COUNTY, INDIANAPOLIS, INDIANA

September 10, 2014

State Board of Accounts  
302 West Washington Street  
Room E 418  
Indianapolis, Indiana 46204-2765

RE: Official Response to Recent Examination Comments

SBOA:

There were two issues brought up in our exit interview. Our response to each issue is listed below.

1. Optical Images of Checks:

We received a CD from the bank and it was our understanding that the checks were all included on the disk. We didn't realize the backs were not included on the CD. We are requesting from the bank that both front and back sides of the checks be included. We will confirm this each year to make sure we have the required information for State Board of Accounts.

2. Timely Deposits:

We were made aware of the rule that receipts must be made on the first and the fifteen of each month depending on when the money was received. We will make sure this is done in the future. The issue mostly surrounds monies that were received while the designated person was on vacation. During those times we will make arrangements to have someone else go to the bank to ensure this is not an issue moving forward.

Cordially,

Frank T. Short  
Trustee