

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

EXAMINATION REPORT
OF
CHESTER TOWNSHIP
WABASH COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/06/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Florence Dahlstrom	01-01-03 to 12-31-06
Chairman of the Township Board	Argyle Keirn	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CHESTER TOWNSHIP, WABASH COUNTY, INDIANA

We have examined the financial information presented herein of Chester Township (Township), for the period of January 1, 2004 to December 31, 2005. 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, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 31, 2006

CHESTER TOWNSHIP, WABASH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 75,639	\$ 59,183	\$ 22,587	\$ 112,235
Dog	794	424	500	718
Township Assistance	44,301	26,266	30,013	40,554
Firefighting	103,944	191,633	177,320	118,257
Park and Recreation	2,551	1,179	1,241	2,489
Library	25,231	12,066	11,880	25,417
Fire Equipment Debt	3,464	-	-	3,464
Cumulative Fire	72,907	22,286	59,153	36,040
Totals	<u>\$ 328,831</u>	<u>\$ 313,037</u>	<u>\$ 302,694</u>	<u>\$ 339,174</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 112,235	\$ 40,737	\$ 22,488	\$ 130,484
Dog	718	643	424	937
Township Assistance	40,554	26,887	29,553	37,888
Firefighting	118,257	183,022	170,818	130,461
Park and Recreation	2,489	2,324	1,227	3,586
Library	25,417	21,432	20,386	26,463
Levy Excess	-	2,130	-	2,130
Fire Equipment Debt	3,464	-	-	3,464
Cumulative Fire	36,040	20,416	159	56,297
Totals	<u>\$ 339,174</u>	<u>\$ 297,591</u>	<u>\$ 245,055</u>	<u>\$ 391,710</u>

The accompanying notes are an integral part of the schedules.

CHESTER TOWNSHIP, WABASH 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, health and social services, 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.

CHESTER TOWNSHIP, WABASH COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

CHESTER TOWNSHIP, WABASH COUNTY
EXAMINATION RESULT AND COMMENT

PUBLIC WORKS PROJECT

The Township completed a public works project for the construction of an addition to the Chester Township fire station. The Township advertised for bids, but no bids were received. Two quotes were received after solicitation to local companies. The contract was not awarded to the lowest quoter.

Indiana Code 36-1-12-4 states in part:

- "(8) Except as provided in subsection (c), the board shall:
- (A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or
 - (B) reject all bids submitted.
- (9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection."

CHESTER TOWNSHIP, WABASH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2006, with Florence Dahlstrom; Trustee.
The official concurred with our finding.