

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

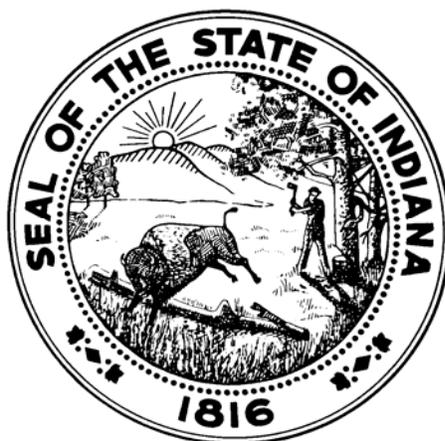
EXAMINATION REPORT

OF

PLEASANT TOWNSHIP

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
10/31/2007



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OFFICIALS

Office

Official

Term

Trustee

Susan E. Cable

01-01-03 to 12-31-10

Chairman of the  
Township Board

Edward E. Burek

01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PLEASANT TOWNSHIP, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of Pleasant Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 22, 2007

PLEASANT TOWNSHIP, LAPORTE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 13,339	\$ 18,097	\$ 19,401	\$ 12,035
Dog	1,174	906	1,010	1,070
Township Assistance	26,540	3,334	1,900	27,974
Firefighting	87,582	74,631	64,877	97,336
Fire Debt	13,394	33,229	30,687	15,936
Riverboat	8,448	9,089	-	17,537
Cumulative Fire	<u>17,552</u>	<u>18,392</u>	<u>12,444</u>	<u>23,500</u>
Totals	<u>\$ 168,029</u>	<u>\$ 157,678</u>	<u>\$ 130,319</u>	<u>\$ 195,388</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 12,035	\$ 27,978	\$ 20,033	\$ 19,980
Dog	1,070	1,053	770	1,353
Township Assistance	27,974	1,497	1,758	27,713
Firefighting	97,336	77,778	73,714	101,400
Fire Debt	15,936	30,831	30,687	16,080
Riverboat	17,537	11,104	-	28,641
Cumulative Fire	<u>23,500</u>	<u>18,771</u>	<u>244</u>	<u>42,027</u>
Totals	<u>\$ 195,388</u>	<u>\$ 169,012</u>	<u>\$ 127,206</u>	<u>\$ 237,194</u>

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

PLEASANT TOWNSHIP, LAPORTE 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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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. Long-Term Debt

The Township has entered into a loan for a fire truck. The outstanding principal balance at December 31, 2006, was \$69,665.

Note 7. Subsequent Event

Tax Levies and Rates for 2007

Due to delays caused by trending of assessments, the assessed valuations of LaPorte County have not been finalized. Therefore, the 2006 pay 2007 property tax rates and levies, as well as related budget orders for 2007, have not yet been established as of August 22, 2007.

PLEASANT TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bonds for the Township Trustee were not presented for examination nor were they filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

BANK ACCOUNT RECONCILIATIONS

Township depository reconciliations of the fund balances to the bank account balances were not prepared.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

RECEIPT ISSUANCE

Receipts were issued for dog tax collections; however, no other receipts were issued.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PUBLIC WORKS PROJECT - ROOF

The Township Trustee accepted a proposal from a construction company for a fire department roof project in the amount of \$39,804 on October 26, 2006. An additional \$21,910 for siding was included in a December 1, 2006, alternate to the proposal, bringing the total proposal amount to \$61,714. The Township paid \$15,000 to the construction company on December 29, 2006. Additional payments were made in 2007, to the construction company for \$20,000 and \$33,957 on April 3, 2007 and May 10, 2007, respectively, bringing the total amount paid on this project to \$68,957.

The total amount paid for the project exceeded the proposal amount by \$7,243.

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

"(a) This section applies whenever the cost of a public work project will be:

PLEASANT TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (1) at least seventy-five thousand dollars (\$75,000) in:
    - (A) a consolidated city or second class city;
    - (B) a county containing a consolidated city or second class city; or
    - (C) a regional water or sewage district established under IC 13-26; or
  - (2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1).
- (b) The board must comply with the following procedure:
- (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . .
  - (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).
  - (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed.
  - (4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.
  - (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board, but it may not be more than six (6) weeks. . . .
  - (7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before.
  - (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. . . ."

PLEASANT TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-1-12-18 states:

"(a) If, in the course of the construction, reconstruction, or repair of a public work project, it becomes necessary to change or alter the original specifications, a change order may be issued to add, delete, or change an item or items in the original contract. The change order becomes an addendum to the contract and must be approved and signed by the board and the contractor.

(b) If a licensed architect or engineer is assigned to the public work project, the change order must be prepared by that person.

(c) A change order may not be issued before commencement of the actual construction, reconstruction, or repairs except in the case of an emergency. In that case, the board must make a declaration, and the board's minutes must show the nature of the emergency.

(d) The total of all change orders issued that increase the scope of the project may not exceed twenty percent (20%) of the amount of the original contract. A change order issued as a result of circumstances that could not have been reasonably foreseen does not increase the scope of the project.

(e) All change orders must be directly related to the original public work project.

(f) If additional units of materials included in the original contract are needed, the cost of these units in the change order must be the same as those shown in the original contract."

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PLEASANT TOWNSHIP, LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2007, with Susan E. Cable, Trustee.