

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

EXAMINATION REPORT

OF

MT. PLEASANT TOWNSHIP

DELAWARE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/28/2007

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------------|------------------------------|--|
| Trustee | Stephen W. Fields | 01-01-03 to 12-31-10 |
| Chairman of the Township Board | Ed Smith Dixie Quakenbush | 01-01-06 to 12-31-06 01-01-07 to 12-31-07 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MT. PLEASANT TOWNSHIP, DELAWARE COUNTY, INDIANA

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

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 22, 2007

MT. PLEASANT TOWNSHIP, DELAWARE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

| | Cash and Investments 01-01-06 | Receipts | Disbursements | Cash and Investments 12-31-06 |
|----------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 31,386 | \$ 157,116 | \$ 108,103 | \$ 80,399 |
| Dog | 460 | 156 | 616 | - |
| Township Assistance | 76,575 | 31,524 | 66,957 | 41,142 |
| Firefighting | 94,668 | 191,860 | 159,870 | 126,658 |
| Rainy Day | 6,338 | - | - | 6,338 |
| Levy Excess | 2,645 | 2,858 | 2,645 | 2,858 |
| Fire Debt | 57,690 | 63,920 | 68,238 | 53,372 |
| Cumulative Fire | 214,675 | 53,042 | 141,342 | 126,375 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | 427 | 12,719 | 13,146 | - |
| Totals | <u>\$ 484,864</u> | <u>\$ 513,195</u> | <u>\$ 560,917</u> | <u>\$ 437,142</u> |

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

MT. PLEASANT TOWNSHIP, DELAWARE 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 (Indiana Code 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.

MT. PLEASANT TOWNSHIP, DELAWARE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

State statute (Indiana Code 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. 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 (Indiana Code 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.

MT. PLEASANT TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

The Township has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|---|--------------------------------|---|
| Governmental Activities: | | |
| Capital leases: | | |
| Fire Truck | \$ 161,699 | \$ 16,385 |
| Bonds payable: | | |
| General obligation bonds: | | |
| Fire Station | <u>570,000</u> | <u>40,000</u> |
| Total governmental activities debt | <u><u>\$ 731,699</u></u> | <u><u>\$ 56,385</u></u> |

MT. PLEASANT TOWNSHIP, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Records presented for examination indicated payments were made to the Township's attorney for \$4,813 in 2006 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALE OF PROPERTY

Two fire trucks were sold in September and October 2006 for \$1,250 and \$4,000. We could not find any evidence on how the property was valued.

Indiana Code 5-22-22-4(a) states: "If the property to be sold is: (1) one (1) item, with an estimated value of one thousand dollars (\$1,000) or more; or (2) more than one (1) item, with an estimated total value of five thousand dollars (\$5,000) or more; the purchasing agency may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and conduct a public auction."

MT. PLEASANT TOWNSHIP, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 22, 2007, with Stephen W. Fields, Trustee. The official response has been made a part of this report and may be found on page 10.

October 26, 2007
Stephen W. Fields
Mt. Pleasant Township Trustee

To: Whom it may concern,
Re: Response to the SBOA 2006 Audit Comments

Capital Asset Records The Township and the Township Fire Department have inventories of assets, they are not currently listed on the State Prescribed Form which was required by the Auditors. The listing of assets on the State Prescribed Form is currently in progress and will be brought into compliance. The Township acknowledges and regrets this oversight.

Contracts The Township Attorney is an appointed Township official and wasn't considered a "contracted service". The attorney's Retainer fee hasn't changed during the five years he has served his appointment. The Township Attorney has been requested by the Trustee to prepare a contract for his services in order to be in compliance.

Sale of Property These sales involved older fire trucks that are specialized equipment, the trucks would have little or no value to the general public, the Township Attorney advised the Township officials that the trucks value was way below the threshold of requiring sealed bids. The Township officials and Fire Officials reached the decision that the best sales value could be obtained by extensively offering the trucks for sale to area Fire Departments and then accepting the best offer to purchase from them. Any future sales of old surplus Fire Trucks will be done by Auctioneer in order to be in compliance.

Sincerely,



Stephen W. Fields
Mt Pleasant Township Trustee