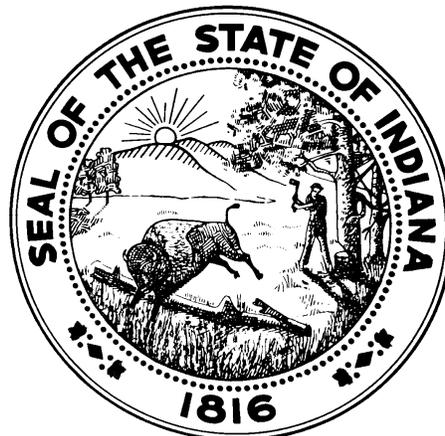


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
MILAN TOWNSHIP  
ALLEN COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**

08/01/2008



## TABLE OF CONTENTS

| <u>Description</u>   | <u>Page</u> |
|--|-------------|
| Officials .....  | 2           |
| Independent Accountant's Report.....   | 3           |
| Financial Information:<br>Schedules of Receipts, Disbursements, and Cash and Investment Balances ..... | 4           |
| Notes to Financial Information .....   | 5           |
| Supplementary Information:<br>Schedule of Capital Assets.....  | 6           |
| Examination Result and Comment:<br>Payroll Deductions.....   | 7           |
| Exit Conference.....   | 8           |

OFFICIALS

| <u>Office</u>                     | <u>Official</u>   | <u>Term</u>          |
|-----------------------------------|-------------------|----------------------|
| Trustee                           | Chad MacDowell    | 01-01-04 to 12-31-10 |
| Chairman of the<br>Township Board | Dennis Schlie     | 01-01-06 to 12-31-06 |
|                                   | David Krohn       | 01-01-07 to 12-31-07 |
|                                   | G. Charlie Schaaf | 01-01-08 to 12-31-08 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MILAN TOWNSHIP, ALLEN COUNTY, INDIANA

We have examined the financial information presented herein of Milan Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 2, 2008

MILAN TOWNSHIP, ALLEN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

|                     | Cash and<br>Investments<br>01-01-06 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-06 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: |                                     |                   |                   |                                     |
| Township            | \$ 44,391                           | \$ 45,601         | \$ 32,196         | \$ 57,796                           |
| Dog                 | 899                                 | 718               | 1,617             | -                                   |
| Firefighting        | 13,819                              | 35,223            | 36,463            | 12,579                              |
| Levy Excess         | 853                                 | 1,338             | -                 | 2,191                               |
| Cumulative Fire     | 261,639                             | 51,894            | 89,614            | 223,919                             |
| Rainy Day           | 26,347                              | -                 | 1,388             | 24,959                              |
| Township Assistance | 50,284                              | 7,736             | 527               | 57,493                              |
| Totals              | <u>\$ 398,232</u>                   | <u>\$ 142,510</u> | <u>\$ 161,805</u> | <u>\$ 378,937</u>                   |

|                     | Cash and<br>Investments<br>01-01-07 | Receipts          | Disbursements    | Cash and<br>Investments<br>12-31-07 |
|---------------------|-------------------------------------|-------------------|------------------|-------------------------------------|
| Governmental Funds: |                                     |                   |                  |                                     |
| Township            | \$ 57,796                           | \$ 39,148         | \$ 33,999        | \$ 62,945                           |
| Firefighting        | 12,579                              | 42,248            | 36,080           | 18,747                              |
| Levy Excess         | 2,191                               | -                 | -                | 2,191                               |
| Cumulative Fire     | 223,919                             | 54,799            | 4,710            | 274,008                             |
| Rainy Day           | 24,959                              | -                 | -                | 24,959                              |
| Township Assistance | 57,493                              | 8,662             | 3,723            | 62,432                              |
| Totals              | <u>\$ 378,937</u>                   | <u>\$ 144,857</u> | <u>\$ 78,512</u> | <u>\$ 445,282</u>                   |

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

MILAN TOWNSHIP, ALLEN 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. 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.

MILAN TOWNSHIP  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

| <u>Primary Government</u>              | <u>Ending<br/>Balance</u> |
|--|---------------------------|
| Governmental activities:               |                           |
| Capital assets, not being depreciated: |                           |
| Machinery and equipment                | <u>\$232,455</u>          |

MILAN TOWNSHIP, ALLEN COUNTY  
EXAMINATION RESULT AND COMMENT

PAYROLL DEDUCTIONS

Payments to employees were made without withholding payroll deductions for taxes. A similar comment was in prior Report B26928.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MILAN TOWNSHIP, ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2008, with Chad MacDowell, Trustee; and Bonnie MacDowell, Clerk. The officials concurred with our finding.