

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

EXAMINATION REPORT
OF
PLEASANT TOWNSHIP
SWITZERLAND COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Carolyn Griffin James Wingate	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Donald Tinker	01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Pleasant 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.

STATE BOARD OF ACCOUNTS

August 28, 2008

PLEASANT TOWNSHIP, SWITZERLAND 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 Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 23,978	\$ 19,279	\$ 20,837	\$ 22,420
Dog	-	665	665	-
Township Assistance	6,665	2,999	7,462	2,202
Firefighting	16,709	10,947	8,000	19,656
Rainy Day	3,334	-	-	3,334
Riverboat	15,179	39,206	29,016	25,369
Totals	<u>\$ 65,865</u>	<u>\$ 73,096</u>	<u>\$ 65,980</u>	<u>\$ 72,981</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 22,420	\$ 12,742	\$ 22,309	\$ 12,853
Township Assistance	2,202	7,158	6,303	3,057
Firefighting	19,656	10,146	8,404	21,398
Rainy Day	3,334	564	3,334	564
Riverboat	25,369	32,009	11,317	46,061
Totals	<u>\$ 72,981</u>	<u>\$ 62,619</u>	<u>\$ 51,667</u>	<u>\$ 83,933</u>

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

PLEASANT TOWNSHIP, SWITZERLAND 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.

PLEASANT TOWNSHIP, SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

No evidence was presented for examination showing that Jim Wingate, Trustee, obtained an official's bond.

Indiana Code 5-4-1-9 states: "An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office.

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 . . ."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Salaries paid to Township Board members were not reported on Internal Revenue Service Form W-2 (Wage and Tax Statement).

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

TOWNSHIP ASSISTANCE PROCEDURES

We found the following deficiencies regarding the processing of township assistance:

1. Township Assistance Applications:
 - a. Applications for Township Assistance (Form TA-1) were not properly completed for 17% of the applications we examined.
 - b. Investigations were not documented to determine if applicants qualified to receive township assistance.

Indiana Code 12-20-6-1(a) states: A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

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

2. Supporting documentation itemizing services were not available for 8% of the township assistance disbursements we examined.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OPTICAL IMAGES OF CHECKS ENDORSEMENTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks with no endorsements.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part: ". . . '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 . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, 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)."

PLEASANT TOWNSHIP, SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2008, with James Wingate, Trustee.