

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

EXAMINATION REPORT

OF

MILL TOWNSHIP

GRANT COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
12/18/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Ronald L. Howe Carolyn L. Armes	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Bryan Elliott	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MILL TOWNSHIP, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of Mill 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 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. 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

November 13, 2008

MILL TOWNSHIP, GRANT 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	\$ 104,079	\$ 63,600	\$ 39,204	\$ 128,475
Dog	553	125	678	-
Township Assistance	91,450	58,076	67,840	81,686
Firefighting	160,460	78,108	80,934	157,634
Park and Recreation	7,634	9,073	13,000	3,707
Fire Building Debt	8,598	5,677	12,792	1,483
Totals	<u>\$ 372,774</u>	<u>\$ 214,659</u>	<u>\$ 214,448</u>	<u>\$ 372,985</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 128,475	\$ 77,478	\$ 41,025	\$ 164,928
Township Assistance	81,686	70,877	65,505	87,058
Firefighting	157,634	83,369	105,919	135,084
Park and Recreation	3,707	13,648	14,500	2,855
Fire Building Debt	1,483	-	-	1,483
Totals	<u>\$ 372,985</u>	<u>\$ 245,372</u>	<u>\$ 226,949</u>	<u>\$ 391,408</u>

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

MILL TOWNSHIP, GRANT 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.

MILL TOWNSHIP, GRANT COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital lease:		
Fire Pick-up Truck	\$ 30,822	\$ 11,697

MILL TOWNSHIP, GRANT COUNTY  
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS - SALARY OVERPAYMENT

The Township Board voted on March 5, 2007, to increase the salary of the Trustee by \$125 a month to compensate for added duties. This additional salary was paid effective February 1, 2007.

Indiana Code 36-6-6-10(d) states in part:

". . . the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate other positions and change the salary of any other employee, if the necessary funds and appropriations are available."

Carolyn L. Armes, Trustee, has agreed to repay the Township \$1,375 through monthly payroll reductions in 2009.

COMPENSATION AND BENEFITS - RECORD OF HOURS WORKED

An individual was paid \$402 in 2006, from the Township Fund for "Year Assistance." The same individual was paid an additional \$402 from the Township Assistance Fund for "Payroll Assistance." No evidence was presented for examination such as contracts, time records, or approval by the Township Board to support these payments.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Indiana Code 5-11-9-4(b) states in part:

". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Payments made to individuals on the Mill Township Volunteer Fire Department for fire runs and clothing allowance did not agree with Form 1099's issued to individual firemen for the year 2006.

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)

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)

MILL TOWNSHIP, GRANT COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

APPROPRIATIONS

Fire Building Debt Fund expenditures exceeded budgeted appropriations in 2006 in the amount of \$2,247. Firefighting Fund expenditures exceeded budgeted appropriations in 2007, in the amount of \$920.

Indiana Code 6-1.1-18-4 states in part:

". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSETS LEDGER

The Township did not maintain an inventory or record of capital assets. A similar comment appeared in prior Report B28420.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets 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)

OFFICIAL BOND

The official bond for the former Trustee, Ronald L. Howe, was not filed in the Office of the County Recorder. A similar comment appeared in prior Report B28420.

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 . . ."

MILL TOWNSHIP, GRANT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2008, with Carolyn L. Armes, Trustee.