

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

EXAMINATION REPORT

OF

MILAN TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**

05/03/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Chad MacDowell	01-01-07 to 12-31-10
Chairman of the Township Board	G. Charlie Schaaf	01-01-08 to 12-31-08
	Dennis Schlie	01-01-09 to 12-31-09
	David Krohn	01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2008 to December 31, 2009. 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, 2008 and 2009, 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

April 14, 2010

MILAN TOWNSHIP, ALLEN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 62,945	\$ 23,017	\$ 19,402	\$ 66,560
Township Assistance	62,432	7,945	-	70,377
Firefighting	18,747	45,514	48,080	16,181
Levy Excess	2,191	-	2,191	-
Cumulative Fire	274,008	52,581	43,778	282,811
Rainy Day	24,959	400	-	25,359
Fiduciary Fund:				
Buggy Plates	-	13,950	13,950	-
	<u>          -</u>	<u>      13,950</u>	<u>      13,950</u>	<u>          -</u>
Totals	<u>\$ 445,282</u>	<u>\$ 143,407</u>	<u>\$ 127,401</u>	<u>\$ 461,288</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 66,560	\$ 18,806	\$ 19,618	\$ 65,748
Township Assistance	70,377	5,551	1,225	74,703
Firefighting	16,181	43,197	48,080	11,298
Cumulative Fire	282,811	39,795	33,086	289,520
Rainy Day	25,359	701	-	26,060
Fiduciary Fund:				
Buggy Plates	-	13,120	13,120	-
	<u>          -</u>	<u>      13,120</u>	<u>      13,120</u>	<u>          -</u>
Totals	<u>\$ 461,288</u>	<u>\$ 121,170</u>	<u>\$ 115,129</u>	<u>\$ 467,329</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, ALLEN COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2009

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 Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 232,455</u>

MILAN TOWNSHIP, ALLEN COUNTY  
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENT OF SALARIES

Salaries for the year 2009 were paid in advance. The annual salary for the Trustee was paid in February 2009, the annual salary for the Clerk was paid in July 2009 and the annual salaries for the Township Board Members were paid in September 2009.

Salaries and wages of public officers may not be paid in advance. IC 5-7-3-1

PAYROLL DEDUCTIONS

Payments to the Trustee, Clerk and Township Board were made without payroll deductions for taxes for 2008 and 2009. A similar comment was in prior Report B32429.

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)

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)

MILAN TOWNSHIP, ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2010, with Chad MacDowell, Trustee; and Bonnie MacDowell, Clerk.