

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

EXAMINATION REPORT  
OF  
PLEASANT TOWNSHIP  
JOHNSON COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
05/05/2010



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OFFICIALS

Office

Official

Term

Trustee

Mary Ann Powell

01-01-08 to 12-31-10

Chairman of the  
Township Board

Jerry Napier

01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Pleasant 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 present 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.

STATE BOARD OF ACCOUNTS

March 1, 2010

PLEASANT TOWNSHIP, JOHNSON 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	\$ 24,049	\$ 179,731	\$ 100,886	\$ 102,894
Township Assistance	33,780	163,832	149,759	47,853
Firefighting	16,319	59,919	32,361	43,877
Rainy Day	3,430	33,067	18,713	17,784
Fiduciary Fund:				
Payroll Withholdings	-	19,753	19,198	555
Totals	<u>\$ 77,578</u>	<u>\$ 456,302</u>	<u>\$ 320,917</u>	<u>\$ 212,963</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 102,894	\$ 102,329	\$ 99,609	\$ 105,614
Township Assistance	47,853	142,446	145,399	44,900
Firefighting	43,877	28,284	41,291	30,870
Rainy Day	17,784	-	-	17,784
Township Assistance Loan	-	110,942	103,210	7,732
Fiduciary Fund:				
Payroll Withholdings	555	19,665	20,079	141
Totals	<u>\$ 212,963</u>	<u>\$ 403,666</u>	<u>\$ 409,588</u>	<u>\$ 207,041</u>

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

PLEASANT TOWNSHIP, JOHNSON 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.

PLEASANT TOWNSHIP, JOHNSON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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 (IC 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.

PLEASANT TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township Assistance	2008	\$ 11,423
Loan	2009	3,210

IC 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."

PLEASANT TOWNSHIP, JOHNSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2010, with Mary Ann Dowell, Trustee; and Kurt Luidhardt, Township Board member. The official response has been made a part of this report and may be found on pages 9 through 11.

Mary Ann Powell  
Pleasant Township Trustee  
P. O. Box 73  
Whiteland, IN 46184  
Phone 317-535-7571 Fax 317-535-0049  
e-mail - [mapowell@embarqmail.com](mailto:mapowell@embarqmail.com)

March 10, 2010

Bruce Hartman, CPA, State Examiner  
Indiana State Board of Accounts  
302 W. Washington St.  
Rm E 418  
Indianapolis, IN 46204

Re: Audit of Pleasant Township, Johnson County

Mr. Hartman:

This letter is to serve as an official response to the exit conference I had on March 1, 2010 with regard to the audit of Pleasant Township, Johnson County for the years 2008 and 2009. This conference was lead by Beth A. Kelley, CPA from your agency and was attended by myself and township board member Kurt Luidhardt representing Pleasant Township.

Results given me for year 2008 are as follows:

Township Assistance-----	Excess Amt. Expended----	\$12,256.
Fire-----	Excess Amt. Expended----	\$ 7,134.
Rainy Day-----	Excess Amt. Expended----	\$ 18,713.

**Explanation of above:**

Resolution 2008 - 1, dated 2/4/2008 (a copy in minutes book and provided to Auditors)

Funds encumbered from previous year (with outstanding balances owed in invoices)

Fire-----	(increase appropriation )	\$10,292.
Twp Assist----	(increase appropriation)	\$ 833.

(These amounts would make the excess as follows:

Township Assistance-----	\$11,423
Fire-----	-0-

Rainy Day funds in the amount of \$18,713 reported as excess expended was transferred to Township Assistance. Had this been done as suggested by your audit team this would have not been reported as excess expended. Reason for transfer was that I was in process of requesting approval of DLGF to borrow funds to be able to pay expenditures through end of year 2008 and to fund the 2009 budget and was told any money that had been put in Rainy Day funds from Township Assistance funds should be transferred to the Assistance Fund prior to hearing on this issue. This transfer occurred on October 13, 2008 as evidenced by Resolution 2008-3 prior to the hearing with DLGF which was on or about November 19, 2008, a copy also in minutes book as inspected by your audit team. They have informed me that I should have also done an additional appropriation, which I now understand, but still think there was no intent of any wrong doing, just a misunderstanding of procedure in the rush to complete the documentation required by DLGF in attempting to get the funds necessary to fulfill the requirements of providing township assistance. I realize that had I done the additional appropriation there would be no comments for the year 2008 of excess spending, other than maybe it should have been spent from Rainy Day Fund. I have placed a call to either Chuck Nemeth or Stan Mettler to clarify this issue on 3/9/10 so this will never be an issue again, I am sure a return call will be made to me no later than end of this week as their office informed me that they would be out until late this week or first of next week.

Now year 2009, the audit report explains that excess amount was expended in this year by \$103,210 in the Township Assistance Loan Fund. I put the proceeds of the loan approved by DLGF in the Township Assistance Fund and spent from this fund in providing relief as intended for these tax dollars. The loan payment was made in full on the same day I received the final disbursement of tax dollars which was 12/30/09. I will have to agree that it was an oversight on my part and until I received the actual final distribution did I realize these were two separate funds. I had applied to borrow the funds for township assistance and it was approved from DLGF so I just thought all bases were completed. I also was instructed by the audit team to transfer all balance in the township loan fund to the township assistance fund which will leave a 0 balance in that fund for balance of year. This will be done at the next board meeting with an

additional appropriation to follow, allowing me to add another \$7,732.20 to the assistance fund this year.

I am truly sorry for the confusion this may have caused your audit team, I try very hard to comply with all regulations and am usually extremely careful to not cause any issues.

It's difficult to have to say these errors have occurred and if you examine my past audits you will see that I have a fairly good record of doing things properly.

Sincerely,

A handwritten signature in cursive script that reads "Mary Ann Powell". The signature is written in black ink and is positioned above the printed name.

Mary Ann Powell, Trustee

cc: Kurt Luidhardt, Pleasant Township Board member (also attended exit conf.)