

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

DECATUR TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
7/26/06



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Stephen C. Rink	01-01-03 to 12-31-06
Chairman of the Township Board	Larry Kugelman Martha Fisher-Vaughn David Knight	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Decatur Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 29, 2006

DECATUR TOWNSHIP, MARION 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 228,443	\$ 517,658	\$ 473,791	\$ 272,310
Dog	616	352	316	652
Township Assistance	34,726	92,612	69,933	57,405
Firefighting	45,862	4,384,100	3,887,996	541,966
Fire Debt	22,591	786,447	817,913	(8,875)
Lease Rental	4,148	-	-	4,148
Building Debt	38,578	417,413	447,343	8,648
Cumulative Fire	334,770	282,985	282,308	335,447
Construction Fund	14,281	-	12,200	2,081
Rainy Day	-	5,341	-	5,341
Fiduciary Funds:				
Payroll	-	629,896	629,896	-
Small Claims Court Fees	2,919	496,080	494,462	4,537
Small Claims Court Trust	282	2,291,183	2,291,183	282
Totals	<u>\$ 727,216</u>	<u>\$ 9,904,067</u>	<u>\$ 9,407,341</u>	<u>\$ 1,223,942</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 272,310	\$ 536,121	\$ 523,413	\$ 285,018
Dog	652	324	352	624
Township Assistance	57,405	82,297	77,367	62,335
Firefighting	541,966	5,002,969	5,185,265	359,670
Fire Debt	(8,875)	1,847,331	1,798,783	39,673
Lease Rental	4,148	-	-	4,148
Building Debt	8,648	448,727	447,343	10,032
Cumulative Fire	335,447	270,987	208,956	397,478
Construction Fund	2,081	-	-	2,081
Rainy Day	5,341	-	-	5,341
Federal Grants	-	391,557	374,849	16,708
Fiduciary Funds:				
Payroll	-	929,348	929,348	-
Small Claims Court Fees	4,537	497,424	494,314	7,647
Small Claims Court Trust	282	2,281,753	2,281,753	282
Totals	<u>\$ 1,223,942</u>	<u>\$ 12,288,838</u>	<u>\$ 12,321,743</u>	<u>\$ 1,191,037</u>

The accompanying notes are an integral part of the schedules.

DECATUR TOWNSHIP, MARION COUNTY  
NOTES TO SCHEDULES

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.

DECATUR TOWNSHIP, MARION COUNTY  
NOTES TO SCHEDULES  
(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.

Note 7. Long-Term Debt

The Township has entered into various debts such as bonds for a new fire station, and a capital lease for an aerial truck. The outstanding principal at December 31, 2005, was \$831,940 and \$286,477, respectively.

DECATUR TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Township Trustee's official bond was not filed in the Office of the County Recorder. A similar comment appeared in the prior Audit Report B23685.

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 . . ."

CAPITAL ASSET RECORDS

Information presented for review did not indicate an inventory or record of capital assets using Form 369. The Township does maintain an inventory of some items purchased over the years, including a vehicle listing; however, the listing is not current and is not reflected by asset category.

A similar comment was discussed in prior Audit Report B23685.

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)

CREDIT CARDS

The Fire Department is using credit cards in some instances to purchase items without an approved credit card policy. Additionally, on some purchases sales tax is being paid; multiple statements do not have itemized invoices attached; late payment fees are being paid and some months the statements were not provided for our review.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

DECATUR TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DECATUR TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2006, with Stephen Rink, Trustee. The official response has been made a part of this report and may be found on page(s) \_\_.