

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

EXAMINATION REPORT

OF

PERRY 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	Jack E. Sandlin	01-01-03 to 12-31-06
Chairman of the Township Board	Marvin G. Hawkins Randall R. Fearnow Cynthia Kirchhofer	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 PERRY TOWNSHIP, MARION COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Perry 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

PERRY 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	\$ 203,875	\$ 571,976	\$ 578,053	\$ 197,798
Dog	1,254	946	962	1,238
Township Assistance	75,300	67,925	116,691	26,534
Firefighting	1,059,703	8,543,316	9,215,281	387,738
Fire Donation	826	10,550	4,530	6,846
Rainy Day	-	25,218	-	25,218
Levy Excess	106,321	-	-	106,321
Fire Debt	25,572	1,290,830	1,001,848	314,554
Lease Rental Payment	189	-	-	189
Construction	1,900,000	-	1,745,962	154,038
Cumulative Fire	2,367,616	911,078	291,420	2,987,274
Fiduciary Funds:				
Fire Pension	168,824	337,916	357,816	148,924
Court Fees	3,115	439,179	442,294	-
Court Trust	10,158	936,922	937,403	9,677
Totals	\$ 5,922,753	\$ 13,135,856	\$ 14,692,260	\$ 4,366,349

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 197,798	\$ 540,900	\$ 616,579	\$ 122,119
Dog	1,238	952	938	1,252
Township Assistance	26,534	121,234	131,343	16,425
Firefighting	387,738	11,500,366	11,488,486	399,618
Fire Donation	6,846	13,808	18,262	2,392
Rainy Day	25,218	-	-	25,218
Levy Excess	106,321	-	106,321	-
Fire Debt	314,554	672,802	819,429	167,927
Lease Rental Payment	189	-	-	189
Construction	154,038	-	154,038	-
Cumulative Fire	2,987,274	1,146,458	1,224,126	2,909,606
Fiduciary Funds:				
Fire Pension	148,924	424,444	388,661	184,707
Court Fees	-	519,838	519,838	-
Court Trust	9,677	1,051,396	1,052,255	8,818
Totals	\$ 4,366,349	\$ 15,992,198	\$ 16,520,276	\$ 3,838,271

The accompanying notes are an integral part of the schedules.

PERRY 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.

PERRY 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 tax anticipation warrants and loans for the Fire Station and equipment. The outstanding principal balances of the loans at December 31, 2005, were \$1,303,056, and \$1,507,015, respectively.

PERRY TOWNSHIP, MARION COUNTY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Township is using a database to track capital asset purchases. The database is perpetual and extensive, but the software does not have a mechanism for aggregating account balances or sorting the activity by year. Some assets inventoried did not have a cost amount shown. Also, no category totals or grand totals are carried in the accounting records. A similar comment appeared in prior Audit Report B24163.

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PERRY TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2006, with Jack Sandlin, Trustee; and Harold Day, Deputy Trustee. The officials concurred with our findings.