

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

EXAMINATION REPORT

OF

DECATUR TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**

09/03/2008



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OFFICIALS

Office

Official

Term

Trustee

Stephen C. Rink

01-01-03 to 12-31-10

Chairman of the  
Township Board

David E. Knight

01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Decatur 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

July 24, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 285,018	\$ 633,154	\$ 533,151	\$ 385,021
Dog	624	250	874	-
Township Assistance	62,335	81,850	87,803	56,382
Firefighting	359,670	5,892,807	6,037,140	215,337
Levy Excess	-	191,635	-	191,635
Rainy Day	5,341	-	-	5,341
Federal Grants	16,708	32,571	42,983	6,296
Fire Debt	39,673	2,145,484	2,113,622	71,535
Building Debt	10,032	469,644	464,355	15,321
Lease Rental	4,148	-	-	4,148
Cumulative Fire	397,478	303,445	376,633	324,290
Construction	2,081	-	-	2,081
Fiduciary Funds:				
Payroll Withholdings	-	1,089,407	1,089,407	-
Small Claims Court Fees	7,647	535,493	536,932	6,208
Small Claims Court Trust	282	2,419,939	2,419,939	282
Totals	<u>\$ 1,191,037</u>	<u>\$ 13,795,679</u>	<u>\$ 13,702,839</u>	<u>\$ 1,283,877</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 385,021	\$ 640,457	\$ 524,995	\$ 500,483
Township Assistance	56,382	73,404	85,377	44,409
Firefighting	215,337	7,077,787	6,909,915	383,209
Levy Excess	191,635	-	2,863	188,772
Rainy Day	5,341	-	-	5,341
Federal Grants	6,296	233,430	236,338	3,388
Fire Debt	71,535	2,071,385	2,142,832	88
Building Debt	15,321	341,141	356,462	-
Lease Rental	4,148	-	-	4,148
Cumulative Fire	324,290	238,115	211,273	351,132
Construction	2,081	-	-	2,081
Fiduciary Funds:				
Payroll Withholdings	-	1,218,182	1,209,944	8,238
Small Claims Court Fees	6,208	638,550	634,753	10,005
Small Claims Court Trust	282	2,693,236	2,693,236	282
Totals	<u>\$ 1,283,877</u>	<u>\$ 15,225,687</u>	<u>\$ 15,007,988</u>	<u>\$ 1,501,576</u>

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

DECATUR TOWNSHIP, MARION 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, 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).

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 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.

Note 7. Subsequent Events

On June 17, 2008, the Township Board approved the purchase of a new ambulance for \$148,669.

On June 24, 2008, the Township issued a tax anticipation warrant for \$775,942.

DECATUR TOWNSHIP, MARION COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Township has entered into the following long-term debt:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Fire Station and Small Claims Court	\$ 66,037	\$ 67,462
Total governmental activities long-term debt	<u>\$ 66,037</u>	<u>\$ 67,462</u>

DECATUR TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

The Township Fire Department is using credit cards in some instances to purchase items without an approved credit card policy. A similar comment appeared in the prior Report B27440.

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:

- (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)

SALES TAX

Sales tax was paid for some purchases. A similar comment appeared in prior Report B27440.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

CAPITAL ASSET RECORDS

Information presented for examination 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 inventory does not include all cost values and does not show asset category. A similar comment was discussed in prior Reports B23685 and B27440.

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

BOARD MINUTES

The Board minutes for the period of January 2007 to May 2008 were not presented for examination. As of July 24, 2008, the Trustee made four unsuccessful attempts to obtain the Board minutes from the Board Secretary.

Indiana Code 5-14-1.5-4(b) states: "As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

DECATUR TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2008, with Stephen C. Rink, Trustee.