

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

EXAMINATION REPORT
OF
PIKE TOWNSHIP
MARION COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
07/21/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statement(s): Statement(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6-7
Notes to Financial Statement(s).....	8-13
Supplementary Information: Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances.....	16-19
Schedule of Capital Assets.....	20
Schedule of Long-Term Debt	21
Other Report(s)	22
Examination Result(s) and Comment(s): Overdrawn Cash Balances.....	23
Advance Payments.....	23
Exit Conference.....	24
Official Response	25

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Lula M. Patton	01-01-07 to 12-31-14
Chairman of the Township Board	Daryl Black Charles R. Thornton	01-01-09 to 12-31-09 01-01-10 to 12-31-11



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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of Pike Township (Township), for the period of January 1, 2009 to December 31, 2010. The Township's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Township's response to the Examination Result(s) and Comment(s) identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Township's management, Township Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 13, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENT(S)

PIKE TOWNSHIP, MARION COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Township	\$ 1,529,447	\$ 466,504	\$ 915,848	\$ 1,080,103
Township Assistance	112,022	658,443	463,952	306,513
Fire Fighting	69,074	28,553,504	25,756,384	2,866,194
Cumulative Fire	382,710	1,434,679	1,935,866	(118,477)
Fire Debt	990,891	3,193,892	6,196,723	(2,011,940)
Rainy Day	566,310	275,938	-	842,248
Fire Pension Fund	88,903	212,916	145,518	156,301
Donations	38	250	273	15
Fire Pension Cds	422,482	3,070	-	425,552
Pike Health Plan	10	2,021,930	2,021,930	10
Pike Fsa Loan	(2,696)	64,430	61,734	-
Payroll Deductions	(98,092)	3,386,032	3,381,042	(93,102)
Court Fees	22,515	1,045,157	1,045,584	22,088
Court Trust	-	2,621,394	2,621,394	-
	<u>-</u>	<u>2,621,394</u>	<u>2,621,394</u>	<u>-</u>
Totals	<u>\$ 4,083,614</u>	<u>\$ 43,938,139</u>	<u>\$ 44,546,248</u>	<u>\$ 3,475,505</u>

PIKE TOWNSHIP, MARION COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 1,080,103	\$ 452,112	\$ 967,695	\$ 564,520
Township Assistance	306,513	433,486	460,993	279,006
Fire Fighting	2,866,194	22,075,661	19,982,583	4,959,272
Cumulative Fire	(118,477)	1,184,881	597,120	469,284
Fire Debt	(2,011,940)	6,603,522	4,323,025	268,557
Levy Excess	-	39,595	-	39,595
Rainy Day	842,248	490,047	-	1,332,295
Fire Pension Fund	156,301	84,513	151,398	89,416
Donations	15	200	215	-
Fire Pension Cds	425,552	2,036	-	427,588
Pike Health Plan	10	2,961,068	2,961,068	10
Pike Fsa Loan	-	96,529	96,529	-
Payroll Deductions	(93,102)	3,698,210	3,605,271	(163)
Court Fees	22,088	910,656	918,328	14,416
Court Trust	-	2,599,917	2,599,917	-
Totals	<u>\$ 3,475,505</u>	<u>\$ 41,632,433</u>	<u>\$ 36,664,142</u>	<u>\$ 8,443,796</u>

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statement(s) present(s) the financial information for the Township (primary government), and does not include financial information for any of the Township's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Township (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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:

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

B. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PIKE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

PERF 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

The contribution requirements of plan members and the Township are established by the Board of Trustees of PERF.

Note 7. Subsequent Events

The Township has purchased land for a new fire station. The unit is allocating approximately \$2,500,000 for the new station.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, Pike Township's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

PIKE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Fire Debt	Rainy Day	Fire Pension Fund	Donations
Cash and investments - beginning	\$ 1,529,447	\$ 112,022	\$ 69,074	\$ 382,710	\$ 990,891	\$ 566,310	\$ 88,903	\$ 38
Receipts:								
Taxes	8,692	658,399	14,960,538	1,427,887	3,159,182	-	-	-
Charges for services	-	-	1,533,389	-	-	-	-	-
Fines and forfeits	443,427	-	-	-	-	-	-	-
Other receipts	14,385	44	12,059,577	6,792	34,710	275,938	212,916	250
Total receipts	466,504	658,443	28,553,504	1,434,679	3,193,892	275,938	212,916	250
Disbursements:								
Personal services	703,389	161,833	16,183,156	-	-	-	145,518	-
Supplies	82,172	1,471	641,488	-	-	-	-	273
Other services and charges	102,846	10,230	8,931,740	-	6,196,723	-	-	-
Capital outlay	27,441	-	-	1,935,866	-	-	-	-
Other disbursements	-	290,418	-	-	-	-	-	-
Total disbursements	915,848	463,952	25,756,384	1,935,866	6,196,723	-	145,518	273
Excess (deficiency) of receipts over disbursements	(449,344)	194,491	2,797,120	(501,187)	(3,002,831)	275,938	67,398	(23)
Cash and investments - ending	\$ 1,080,103	\$ 306,513	\$ 2,866,194	\$ (118,477)	\$ (2,011,940)	\$ 842,248	\$ 156,301	\$ 15

PIKE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Fire Pension Cds	Pike Health Plan	Pike Fsa Loan	Payroll Deductions	Court Fees	Court Trust	Totals
Cash and investments - beginning	\$ 422,482	\$ 10	\$ (2,696)	\$ (98,092)	\$ 22,515	\$ -	\$ 4,083,614
Receipts:							
Taxes	-	-	-	-			20,214,698
Charges for services	-	-	-	-			1,533,389
Fines and forfeits	-	-	-	-			443,427
Other receipts	3,070	2,021,930	64,430	3,386,032	1,045,157	2,621,394	21,746,625
Total receipts	3,070	2,021,930	64,430	3,386,032	1,045,157	2,621,394	43,938,139
Disbursements:							
Personal services	-	2,021,930	61,734	3,381,042			22,658,602
Supplies	-	-	-	-			725,404
Other services and charges	-	-	-	-	1,045,584	2,621,394	18,908,517
Capital outlay	-	-	-	-			1,963,307
Other disbursements	-	-	-	-	-	-	290,418
Total disbursements	-	2,021,930	61,734	3,381,042	1,045,584	2,621,394	44,546,248
Excess (deficiency) of receipts over disbursements	3,070	-	2,696	4,990	(427)	-	(608,109)
Cash and investments - ending	\$ 425,552	\$ 10	\$ -	\$ (93,102)	\$ 22,088	\$ -	\$ 3,475,505

PIKE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Fire Debt	Levy Excess	Rainy Day	Fire Pension Fund
Cash and investments - beginning	\$ 1,080,103	\$ 306,513	\$ 2,866,194	\$ (118,477)	\$ (2,011,940)	\$ -	\$ 842,248	\$ 156,301
Receipts:								
Taxes	50,000	429,525	20,406,331	1,176,853	6,553,409	-	490,047	-
Charges for services	-	-	1,422,131	-	-	-	-	-
Fines and forfeits	392,996	-	-	-	-	-	-	-
Other receipts	9,116	3,961	247,199	8,028	50,113	39,595	-	84,513
Total receipts	<u>452,112</u>	<u>433,486</u>	<u>22,075,661</u>	<u>1,184,881</u>	<u>6,603,522</u>	<u>39,595</u>	<u>490,047</u>	<u>84,513</u>
Disbursements:								
Personal services	749,006	178,840	17,879,253	-	-	-	-	151,398
Supplies	74,716	1,586	629,182	-	-	-	-	-
Other services and charges	118,413	10,254	1,474,148	-	4,323,025	-	-	-
Capital outlay	25,560	-	-	597,120	-	-	-	-
Other disbursements	-	270,313	-	-	-	-	-	-
Total disbursements	<u>967,695</u>	<u>460,993</u>	<u>19,982,583</u>	<u>597,120</u>	<u>4,323,025</u>	<u>-</u>	<u>-</u>	<u>151,398</u>
Excess (deficiency) of receipts over disbursements	<u>(515,583)</u>	<u>(27,507)</u>	<u>2,093,078</u>	<u>587,761</u>	<u>2,280,497</u>	<u>39,595</u>	<u>490,047</u>	<u>(66,885)</u>
Cash and investments - ending	<u>\$ 564,520</u>	<u>\$ 279,006</u>	<u>\$ 4,959,272</u>	<u>\$ 469,284</u>	<u>\$ 268,557</u>	<u>\$ 39,595</u>	<u>\$ 1,332,295</u>	<u>\$ 89,416</u>

PIKE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Donations	Fire Pension Cds	Pike Health Plan	Pike Fsa Loan	Payroll Deductions	Court Fees	Court Trust	Totals
Cash and investments - beginning	\$ 15	\$ 425,552	\$ 10	\$ -	\$ (93,102)	\$ 22,088	\$ -	\$ 3,475,505
Receipts:								
Taxes	-	-	-	-	-	-	-	29,106,165
Charges for services	-	-	-	-	-	-	-	1,422,131
Fines and forfeits	-	-	-	-	-	-	-	392,996
Other receipts	200	2,036	2,961,068	96,529	3,698,210	910,656	2,599,917	10,711,141
Total receipts	200	2,036	2,961,068	96,529	3,698,210	910,656	2,599,917	41,632,433
Disbursements:								
Personal services	-	-	2,961,068	96,529	3,508,742	-	-	25,524,836
Supplies	215	-	-	-	-	-	-	705,699
Other services and charges	-	-	-	-	-	918,328	2,599,917	9,444,085
Capital outlay	-	-	-	-	-	-	-	622,680
Other disbursements	-	-	-	-	96,529	-	-	366,842
Total disbursements	215	-	2,961,068	96,529	3,605,271	918,328	2,599,917	36,664,142
Excess (deficiency) of receipts over disbursements	(15)	2,036	-	-	92,939	(7,672)	-	4,968,291
Cash and investments - ending	\$ -	\$ 427,588	\$ 10	\$ -	\$ (163)	\$ 14,416	\$ -	\$ 8,443,796

PIKE TOWNSHIP, MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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:	
Land	\$ 340,800
Buildings	3,560,096
Machinery and equipment	<u>4,046,084</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 7,946,980</u>

PIKE TOWNSHIP, MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
Pumper Truck Lease	\$ 401,553	\$ 168,847

PIKE TOWNSHIP, MARION COUNTY
OTHER REPORT(S)

The report presented herein was prepared in addition to other official report(s) prepared for the individual Township office(s) listed below:

Marion County Small Claims Court, Pike Township Division

PIKE TOWNSHIP, MARION COUNTY
EXAMINATION RESULT(S) AND COMMENT(S)

OVERDRAWN CASH BALANCES

The Fire Debt and Cumulative Fire Funds were overdrawn as of December 31, 2009. The Payroll Deductions Fund was overdrawn as of December 31, 2009 and 2010. A similar comment appeared in prior Report B35502.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ADVANCE PAYMENTS

Payroll is processed and distributed to employees prior to the end of the pay period. The employees are being paid in advance of earning their compensation. The Township presented for examination a time line for correcting the problem and the problem is scheduled to be corrected with the July 15, 2011 payroll. A similar comment appeared in prior Report B35502.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PIKE TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 13, 2011, with Lula M. Patton, Trustee, and Suzanne Pingel, Township Administrator. The Official Response has been made a part of this report and may be found on page 25.



Phone 317-291-5801

Fax 317-388-7385

June 17, 2011

LULA M. PATTON
Pike Township Trustee
5665 Lafayette Road Suite C
Indianapolis, Indiana 46254

State Board of Accounts
302 W. Washington Street, E 418
Indianapolis, IN 46204-2765

Response to Examination Results and Comments

1. Overdrawn Cash Balances: The township received late tax distributions in April 2010 which should have been received in 2009.

There were 27 pays in 2010 which does not normally happen and the additional pay cycle was not included in the 2010 Budget.

Pike Firefighters from Station 115 had an accident in December 2008 and the truck had to be replaced. The funds were not in the 2009 budget. Payment of \$750,000.00 was paid from the Cum Fund.

2. Advance payments: We began the process to correct advance payments in January 2011. Our plan is to withhold one (1) week of pay on the July 15th paycheck to begin paying in arrears. The money that is withheld will be added to the base pay and spread across the remaining twelve (12) pay periods in 2011. This way we have not violated the 2011 salary ordinance.

Sincerely,

Lula M. Patton,

Pike Township Trustee