

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

EXAMINATION REPORT
OF
DECATUR TOWNSHIP
MARION COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/19/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Stephen C. Rink	01-01-07 to 12-31-10
Chairman of the Township Board	David E. Knight	01-01-08 to 12-31-08
	Larry Kugelman	01-01-09 to 12-31-09
	Stephanie McGaha	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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, 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 presents 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.

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

September 9, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 500,483	\$ 614,370	\$ 574,511	\$ 540,342
Township Assistance	44,409	108,305	87,084	65,630
Firefighting	383,209	8,888,121	7,675,495	1,595,835
Cumulative Fire	351,132	96,955	72,288	375,799
Fire Debt	88	1,435,538	1,435,550	76
Levy Excess	188,772	-	188,772	-
Rainy Day	5,341	105,323	-	110,664
Building Debt	-	93,867	70,086	23,781
Construction	2,081	215,000	155,357	61,724
Lease Rental	4,148	-	-	4,148
Federal Grants	3,388	-	-	3,388
Fiduciary Funds:				
Payroll Withholdings	8,238	1,316,550	1,316,910	7,878
Small Claims Court Fees	10,005	970,433	967,872	12,566
Small Claims Court Trust	282	3,722,212	3,722,212	282
Totals	<u>\$ 1,501,576</u>	<u>\$ 17,566,674</u>	<u>\$ 16,266,137</u>	<u>\$ 2,802,113</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 540,342	\$ 627,597	\$ 654,356	\$ 513,583
Township Assistance	65,630	83,447	103,713	45,364
Firefighting	1,595,835	9,227,737	10,135,770	687,802
Cumulative Fire	375,799	428,476	384,064	420,211
Fire Debt	76	749,221	567,882	181,415
Levy Excess	-	393,253	-	393,253
Rainy Day	110,664	93,621	35,600	168,685
Building Debt	23,781	173,370	186,274	10,877
Construction	61,724	1,560,000	1,602,623	19,101
Lease rental	4,148	-	-	4,148
Federal Grants	3,388	-	-	3,388
Fiduciary Funds:				
Payroll Withholdings	7,878	1,266,224	1,266,040	8,062
Small Claims Court Fees	12,566	1,011,392	1,012,448	11,510
Small Claims Court Trust	282	5,045,599	5,045,599	282
Totals	<u>\$ 2,802,113</u>	<u>\$ 20,659,937</u>	<u>\$ 20,994,369</u>	<u>\$ 2,467,681</u>

The accompanying notes are an integral part of the 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 or highway use taxes are received 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.

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.

DECATUR TOWNSHIP, MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2005

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2 Fire Engines	\$ 685,154	\$ 154,420
Turn Out Gear	72,698	38,682
Bonds payable:		
General obligation bonds:		
Building Loan	<u>1,655,490</u>	<u>484,750</u>
Total governmental activities debt	<u>\$ 2,413,342</u>	<u>\$ 677,852</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 Reports B27440 and B32606,

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)

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

CAPITAL ASSET RECORDS

Information presented for examination did not indicate a complete 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 several prior reports, most recently Report B32606.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. 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)

DECATUR TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2010, with Stephen C. Rink, Trustee. The official response has been made a part of this report and may be found on page 11.

Clerk
S. Jeanne Bain
Township Board
Sandra J. Filipovich
Robert G. Frye
Joseph L. Griffith
David E. Knight
Larry W. Kugelman
Stephanie S. McGaha
Martha Fisher-Vaughn



Stephen C. Rink

Decatur Township Trustee

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Indianapolis, Indiana 46221

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State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

September 9, 2010

RE: Official Response

Dear State Board of Accounts,

Please accept this as our official response to the results and comments from our exit conference concerning the audit of Decatur Township for the period of January 1, 2008 to December 31, 2009.

Credit Cards Policy

RESPONSE: We do have a credit card policy very similar to the guidelines as set out by the State Board of Accounts.

This is a verbal policy that was issued by the Trustee to the proper officers based on those guidelines for proper usage and payment. Those guidelines have in fact been followed.

RESOLUTION:

We will put those guidelines in written form and propose to have our governing board authorize them through a Resolution.

CAPTIAL ASSET RECORDS:

RESPONSE: We do, in fact have a Capital Assets record using Form 369 for our assets. These records were offered and examined by the auditor. Some items are quite old with no record of value and therefore no value was listed. We have kept our vehicles on another spreadsheet which allowed us to keep more specific records such as serial numbers, mileage etc.

RESOLUTION:

We will transfer our vehicle inventory to Form 369 and try to list values on those items not listed with a value.

Respectfully Submitted,

Stephen C. Rink
Trustee