

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

DECATUR TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED

10/29/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Stephen C. Rink	01-01-07 to 12-31-14
Chairman of the Township Board	Stephanie McGaha	01-01-10 to 12-31-10
	Larry Kugleman	01-01-11 to 12-31-11
	David Night	01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Decatur Township (Township), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, 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.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity 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

September 6, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township.
The financial statements and notes are presented as intended by the Township.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 513,583	\$ 533,943	\$ 685,509	\$ 362,017
Township Assistance	45,364	158,730	99,590	104,504
Fire Fighting	687,802	10,309,948	10,726,766	270,984
Cumulative Fire	420,211	347,326	486,799	280,738
Fire Debt	181,415	1,715,574	1,896,989	-
Levy Excess	393,253	18,878	393,253	18,878
Rainy Day	168,685	161,713	207,482	122,916
Building Debt Fund	10,877	496,599	503,252	4,224
Lease Rental	4,148	-	-	4,148
Construction Fund	19,101	-	5,743	13,358
Federal Grants	3,388	-	-	3,388
Payroll Deductions	8,062	1,386,580	1,394,642	-
Small Claims Court Fees	11,510	961,744	963,367	9,887
Small Claims Court Trust	282	5,720,643	5,720,643	282
Totals	<u>\$ 2,467,681</u>	<u>\$ 21,811,678</u>	<u>\$ 23,084,035</u>	<u>\$ 1,195,324</u>

The notes to the financial statements are an integral part of this statement.

DECATUR TOWNSHIP, MARION COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 362,017	\$ 509,954	\$ 590,911	\$ 281,060
Township Assistance	104,504	39,767	98,442	45,829
Fire Fighting	270,984	9,246,595	9,393,145	124,434
Rainy Day	122,916	-	5,250	117,666
Levy Excess	18,878	-	18,878	-
Cumulative Fire	280,738	205,522	216,038	270,222
Fire Debt	-	988,752	988,752	-
Payroll Deductions	-	1,310,751	1,310,751	-
Building Debt Fund	4,224	269,804	274,028	-
Construction Fund	13,358	-	-	13,358
Federal Grants	3,388	54,666	54,306	3,748
Lease Rental	4,148	-	-	4,148
Small Claims Court Fees	9,887	733,365	730,719	12,533
Small Claims Court Trust	282	5,196,113	5,196,113	282
Totals	<u>\$ 1,195,324</u>	<u>\$ 18,555,289</u>	<u>\$ 18,877,333</u>	<u>\$ 873,280</u>

The notes to the financial statements are an integral part of this statement.

DECATUR TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS

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 presents the financial information for the Township.

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 include 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.

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.

DECATUR TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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).

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 include 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.

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

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.

DECATUR TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

DECATUR TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 any replacement items purchased.

Note 6. Pension Plans

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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

DECATUR TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. 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 Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

DECATUR 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	Building Debt Fund
Cash and investments - beginning	\$ 513,583	\$ 45,364	\$ 687,802	\$ 420,211	\$ 181,415	\$ 393,253	\$ 168,685	\$ 10,877
Receipts:								
Taxes	123,898	148,982	5,660,994	347,326	1,715,574	18,878	161,713	448,099
Charges for services	-	-	423,613	-	-	-	-	-
Fines and forfeits	377,540	-	-	-	-	-	-	-
Other receipts	32,505	9,748	4,225,341	-	-	-	-	48,500
Total receipts	<u>533,943</u>	<u>158,730</u>	<u>10,309,948</u>	<u>347,326</u>	<u>1,715,574</u>	<u>18,878</u>	<u>161,713</u>	<u>496,599</u>
Disbursements:								
Personal services	497,295	51,300	6,126,636	-	-	-	-	-
Supplies	32,603	1,088	100,034	-	-	-	-	-
Other services and charges	148,325	5,363	4,478,029	-	1,848,473	-	207,482	503,240
Capital outlay	7,286	-	21,933	486,799	-	-	-	-
Other disbursements	-	41,839	134	-	48,516	393,253	-	12
Total disbursements	<u>685,509</u>	<u>99,590</u>	<u>10,726,766</u>	<u>486,799</u>	<u>1,896,989</u>	<u>393,253</u>	<u>207,482</u>	<u>503,252</u>
Excess (deficiency) of receipts over disbursements	<u>(151,566)</u>	<u>59,140</u>	<u>(416,818)</u>	<u>(139,473)</u>	<u>(181,415)</u>	<u>(374,375)</u>	<u>(45,769)</u>	<u>(6,653)</u>
Cash and investments - ending	<u>\$ 362,017</u>	<u>\$ 104,504</u>	<u>\$ 270,984</u>	<u>\$ 280,738</u>	<u>\$ -</u>	<u>\$ 18,878</u>	<u>\$ 122,916</u>	<u>\$ 4,224</u>

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

	Lease Rental	Construction Fund	Federal Grants	Payroll Deductions	Small Claims Court Fees	Small Claims Court Trust	Totals
Cash and investments - beginning	\$ 4,148	\$ 19,101	\$ 3,388	\$ 8,062	\$ 11,510	\$ 282	\$ 2,467,681
Receipts:							
Taxes	-	-	-	-	-	-	8,625,464
Charges for services	-	-	-	-	-	-	423,613
Fines and forfeits	-	-	-	-	-	-	377,540
Other receipts	-	-	-	1,386,580	961,744	5,720,643	12,385,061
Total receipts	-	-	-	1,386,580	961,744	5,720,643	21,811,678
Disbursements:							
Personal services	-	-	-	1,392,444	-	-	8,067,675
Supplies	-	-	-	-	-	-	133,725
Other services and charges	-	3,666	-	1,000	-	-	7,195,578
Capital outlay	-	2,077	-	-	-	-	518,095
Other disbursements	-	-	-	1,198	963,367	5,720,643	7,168,962
Total disbursements	-	5,743	-	1,394,642	963,367	5,720,643	23,084,035
Excess (deficiency) of receipts over disbursements	-	(5,743)	-	(8,062)	(1,623)	-	(1,272,357)
Cash and investments - ending	\$ 4,148	\$ 13,358	\$ 3,388	\$ -	\$ 9,887	\$ 282	\$ 1,195,324

DECATUR TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	<u>Township</u>	<u>Township Assistance</u>	<u>Fire Fighting</u>	<u>Rainy Day</u>	<u>Levy Excess</u>	<u>Cumulative Fire</u>	<u>Fire Debt</u>	<u>Payroll Deductions</u>
Cash and investments - beginning	\$ 362,017	\$ 104,504	\$ 270,984	\$ 122,916	\$ 18,878	\$ 280,738	\$ -	\$ -
Receipts:								
Taxes	40,117	32,595	3,089,126	-	-	188,655	907,540	-
Intergovernmental	154,746	6,727	1,209,843	-	-	16,867	81,138	-
Charges for services	4	-	501,336	-	-	-	-	-
Fines and forfeits	284,900	-	-	-	-	-	-	-
Other receipts	30,187	445	4,446,290	-	-	-	74	1,310,751
Total receipts	<u>509,954</u>	<u>39,767</u>	<u>9,246,595</u>	<u>-</u>	<u>-</u>	<u>205,522</u>	<u>988,752</u>	<u>1,310,751</u>
Disbursements:								
Personal services	457,462	51,667	6,322,252	-	-	-	-	-
Supplies	23,498	1,084	102,699	-	-	-	-	-
Other services and charges	107,782	45,651	539,853	5,250	-	16,960	-	-
Debt service - principal and interest	-	-	2,319,381	-	-	193,102	988,752	-
Capital outlay	2,169	40	10,220	-	-	5,976	-	-
Other disbursements	-	-	98,740	-	18,878	-	-	1,310,751
Total disbursements	<u>590,911</u>	<u>98,442</u>	<u>9,393,145</u>	<u>5,250</u>	<u>18,878</u>	<u>216,038</u>	<u>988,752</u>	<u>1,310,751</u>
Excess (deficiency) of receipts over disbursements	<u>(80,957)</u>	<u>(58,675)</u>	<u>(146,550)</u>	<u>(5,250)</u>	<u>(18,878)</u>	<u>(10,516)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 281,060</u>	<u>\$ 45,829</u>	<u>\$ 124,434</u>	<u>\$ 117,666</u>	<u>\$ -</u>	<u>\$ 270,222</u>	<u>\$ -</u>	<u>\$ -</u>

DECATUR TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Building Debt Fund	Construction Fund	Federal Grants	Lease Rental	Small Claims Court Fees	Small Claims Court Trust	Totals
Cash and investments - beginning	\$ 4,224	\$ 13,358	\$ 3,388	\$ 4,148	\$ 9,887	\$ 282	\$ 1,195,324
Receipts:							
Taxes	247,662	-	-	-	-	-	4,505,695
Intergovernmental	22,142	-	-	-	-	-	1,491,463
Charges for services	-	-	-	-	-	-	501,340
Fines and forfeits	-	-	-	-	-	-	284,900
Other receipts	-	-	54,666	-	733,365	5,196,113	11,771,891
Total receipts	<u>269,804</u>	<u>-</u>	<u>54,666</u>	<u>-</u>	<u>733,365</u>	<u>5,196,113</u>	<u>18,555,289</u>
Disbursements:							
Personal services	-	-	-	-	-	-	6,831,381
Supplies	-	-	-	-	-	-	127,281
Other services and charges	-	-	-	-	-	-	715,496
Debt service - principal and interest	274,028	-	-	-	-	-	3,775,263
Capital outlay	-	-	54,306	-	-	-	72,711
Other disbursements	-	-	-	-	730,719	5,196,113	7,355,201
Total disbursements	<u>274,028</u>	<u>-</u>	<u>54,306</u>	<u>-</u>	<u>730,719</u>	<u>5,196,113</u>	<u>18,877,333</u>
Excess (deficiency) of receipts over disbursements	<u>(4,224)</u>	<u>-</u>	<u>360</u>	<u>-</u>	<u>2,646</u>	<u>-</u>	<u>(322,044)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,358</u>	<u>\$ 3,748</u>	<u>\$ 4,148</u>	<u>\$ 12,533</u>	<u>\$ 282</u>	<u>\$ 873,280</u>

DECATUR TOWNSHIP, MARION COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Community First National Bank	Turn Out Gear	\$ 38,682	12-22-10	02-15-14
PNC Equipment Finance	2 Fire Trucks	<u>154,421</u>	10-01-08	12-31-14
Total of annual lease payments		<u>\$ 193,103</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Fire Station	\$ 940,916	\$ 332,562
Notes and loans payable	Operating Loan	<u>1,996,000</u>	<u>2,045,346</u>
Totals		<u>\$ 2,936,916</u>	<u>\$ 2,377,908</u>

DECATUR TOWNSHIP, MARION COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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>Ending Balance</u>
Governmental activities:	
Buildings	\$ 6,956,340
Machinery, equipment and vehicles	2,500,000
Books and other	<u>100,000</u>
Total capital assets	<u>\$ 9,556,340</u>

DECATUR TOWNSHIP, MARION COUNTY
OTHER REPORT

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

Marion County Small Claims Court, Decatur Township Division

DECATUR TOWNSHIP, MARION COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate a complete inventory or record of capital assets using Form 369, or an equivalent form. The Township presented an inventory of some asset items purchased over the years, including a vehicle listing; however, the inventory listing did not include all cost values and did not classify assets into categories. A similar comment appeared in prior reports, most recently, Report B37921.

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 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 CARD POLICY

The Township Fire Department used credit cards in some instances to purchase items without an approved credit card policy. A similar comment appeared in prior reports, most recently, Report B37921.

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.

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

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)

OFFICIAL BOND

The amount of the Township Trustee's official bond for the examination period was insufficient. The Township Trustee's official bonds for 2010 and 2011 were \$100,000 per year. Based on the Township's receipt activity for 2009 and 2010, the amount of bond coverage for 2010 and 2011 should have been the maximum \$300,000 for each year.

Indiana Code 5-4-1-18(c) states in part:

". . . the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. . . ."

DECATUR TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2012, with Stephen C. Rink, Trustee.