

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

ABOITE TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
10/19/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Township Trustee	Barbara Krisher	01-01-07 to 12-31-14
Chairman of the Township Board	Bruce Westrick	01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ABOITE TOWNSHIP, ALLEN COUNTY, INDIANA

We have examined the accompanying financial statements of Aboite 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 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 20, 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.

ABOITE TOWNSHIP, ALLEN 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	\$ 81,950	\$ 89,780	\$ 107,780	\$ 63,950
Township Assistance	49,656	133,067	138,843	43,880
Fire Fighting	108,786	190,005	199,043	99,748
Cumulative Fire	1,090,238	165,547	230,023	1,025,762
Park And Recreation	68,522	85,409	152,203	1,728
Levy Excess	-	2,859	-	2,859
Rainy Day	12,378	14,982	27,152	208
Reimbursement	-	366	-	366
EMS	134,640	170,481	152,217	152,904
Park Donation	59,272	12,513	15,618	56,167
2004 Park Capital Improvement	103,208	-	79,731	23,477
2004 Park District Debt Service	206,365	52,568	101,852	157,081
Payroll Deductions	(74)	24,890	24,799	17
Totals	<u>\$ 1,914,941</u>	<u>\$ 942,467</u>	<u>\$ 1,229,261</u>	<u>\$ 1,628,147</u>

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

ABOITE TOWNSHIP, ALLEN 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	\$ 63,950	\$ 112,816	\$ 107,668	\$ 69,098
EMS	152,904	216,836	145,954	223,786
Park And Recreation	1,728	230,314	109,479	122,563
Township Assistance	43,880	132,272	173,243	2,909
Fire Fighting	99,748	241,440	190,647	150,541
Rainy Day	208	-	208	-
Levy Excess	2,859	-	2,859	-
Cumulative Fire	1,025,762	527,892	1,091,404	462,250
2004 Park Capital Improvement	23,477	-	23,477	-
2004 Park District Debt Service	157,081	-	157,081	-
Park Donation	56,167	15,497	22,288	49,376
Payroll Deductions	17	24,957	24,969	5
Reimbursement	366	6,677	7,043	-
Totals	<u>\$ 1,628,147</u>	<u>\$ 1,508,701</u>	<u>\$ 2,056,320</u>	<u>\$ 1,080,528</u>

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

ABOITE TOWNSHIP, ALLEN 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.

The accompanying financial statements present 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 may 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.

Charges for services which can include, but are not limited to the following: copy machine charges, emergency medical service fees and park rental fees.

ABOITE TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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.

*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.

ABOITE TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**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.

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.

ABOITE TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 6. Pension Plan**

*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.

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## 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/](http://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.

ABOITE TOWNSHIP, ALLEN 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	Park And Recreation	Levy Excess	Rainy Day
Cash and investments - beginning	\$ 81,950	\$ 49,656	\$ 108,786	\$ 1,090,238	\$ 68,522	\$ -	\$ 12,378
Receipts:							
Taxes	79,622	132,742	178,628	118,513	82,814	1,719	-
Charges for services	-	-	-	-	2,595	-	-
Other receipts	10,158	325	11,377	47,034	-	1,140	14,982
Total receipts	<u>89,780</u>	<u>133,067</u>	<u>190,005</u>	<u>165,547</u>	<u>85,409</u>	<u>2,859</u>	<u>14,982</u>
Disbursements:							
Personal services	56,286	-	-	-	6,731	-	-
Supplies	5,969	-	76,616	-	18,256	-	27,152
Other services and charges	45,525	138,843	121,753	-	78,958	-	-
Capital outlay	-	-	180	229,605	4,682	-	-
Other disbursements	-	-	494	418	43,576	-	-
Total disbursements	<u>107,780</u>	<u>138,843</u>	<u>199,043</u>	<u>230,023</u>	<u>152,203</u>	<u>-</u>	<u>27,152</u>
Excess (deficiency) of receipts over disbursements	<u>(18,000)</u>	<u>(5,776)</u>	<u>(9,038)</u>	<u>(64,476)</u>	<u>(66,794)</u>	<u>2,859</u>	<u>(12,170)</u>
Cash and investments - ending	<u>\$ 63,950</u>	<u>\$ 43,880</u>	<u>\$ 99,748</u>	<u>\$ 1,025,762</u>	<u>\$ 1,728</u>	<u>\$ 2,859</u>	<u>\$ 208</u>

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

	Reimbursement	EMS	Park Donation	2004 Park Capital Improvement	2004 Park District Debt Service	Payroll Deductions	Totals
Cash and investments - beginning	\$ -	\$ 134,640	\$ 59,272	\$ 103,208	\$ 206,365	\$ (74)	\$ 1,914,941
Receipts:							
Taxes	-	86,736	-	-	52,568	-	733,342
Charges for services	-	82,281	12,513	-	-	-	97,389
Other receipts	366	1,464	-	-	-	24,890	111,736
Total receipts	366	170,481	12,513	-	52,568	24,890	942,467
Disbursements:							
Personal services	-	103,092	11,002	-	-	24,799	201,910
Supplies	-	14,918	2,741	4,035	1,852	-	151,539
Other services and charges	-	33,979	1,875	75,376	-	-	496,309
Capital outlay	-	-	-	320	-	-	234,787
Other disbursements	-	228	-	-	100,000	-	144,716
Total disbursements	-	152,217	15,618	79,731	101,852	24,799	1,229,261
Excess (deficiency) of receipts over disbursements	366	18,264	(3,105)	(79,731)	(49,284)	91	(286,794)
Cash and investments - ending	\$ 366	\$ 152,904	\$ 56,167	\$ 23,477	\$ 157,081	\$ 17	\$ 1,628,147

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

	Township	EMS	Park And Recreation	Township Assistance	Fire Fighting	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 63,950	\$ 152,904	\$ 1,728	\$ 43,880	\$ 99,748	\$ 208	\$ 2,859
Receipts:							
Taxes	92,408	54,947	16,973	94,294	174,683	-	-
Intergovernmental	8,207	4,672	31,454	37,978	14,852	-	-
Charges for services	5,650	157,217	1,329	-	-	-	-
Other receipts	6,551	-	180,558	-	51,905	-	-
Total receipts	<u>112,816</u>	<u>216,836</u>	<u>230,314</u>	<u>132,272</u>	<u>241,440</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	66,316	100,187	6,030	-	1,859	-	-
Supplies	6,485	12,947	65,850	-	65,430	-	-
Other services and charges	34,867	32,820	18,245	173,243	103,358	208	-
Capital outlay	-	-	19,354	-	-	-	-
Other disbursements	-	-	-	-	20,000	-	2,859
Total disbursements	<u>107,668</u>	<u>145,954</u>	<u>109,479</u>	<u>173,243</u>	<u>190,647</u>	<u>208</u>	<u>2,859</u>
Excess (deficiency) of receipts over disbursements	<u>5,148</u>	<u>70,882</u>	<u>120,835</u>	<u>(40,971)</u>	<u>50,793</u>	<u>(208)</u>	<u>(2,859)</u>
Cash and investments - ending	<u>\$ 69,098</u>	<u>\$ 223,786</u>	<u>\$ 122,563</u>	<u>\$ 2,909</u>	<u>\$ 150,541</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Cumulative Fire	2004 Park Capital Improvement	2004 Park District Debt Service	Park Donation	Payroll Deductions	Reimbursement	Totals
Cash and investments - beginning	\$ 1,025,762	\$ 23,477	\$ 157,081	\$ 56,167	\$ 17	\$ 366	\$ 1,628,147
Receipts:							
Taxes	113,175	-	-	-	-	-	546,480
Intergovernmental	9,623	-	-	-	-	-	106,786
Charges for services	-	-	-	15,497	-	-	179,693
Other receipts	405,094	-	-	-	24,957	6,677	675,742
Total receipts	527,892	-	-	15,497	24,957	6,677	1,508,701
Disbursements:							
Personal services	-	-	-	8,825	-	-	183,217
Supplies	24,049	-	-	1,070	-	-	175,831
Other services and charges	-	-	-	1,189	-	7,043	370,973
Capital outlay	663,836	-	-	11,204	-	-	694,394
Other disbursements	403,519	23,477	157,081	-	24,969	-	631,905
Total disbursements	1,091,404	23,477	157,081	22,288	24,969	7,043	2,056,320
Excess (deficiency) of receipts over disbursements	(563,512)	(23,477)	(157,081)	(6,791)	(12)	(366)	(547,619)
Cash and investments - ending	\$ 462,250	\$ -	\$ -	\$ 49,376	\$ 5	\$ -	\$ 1,080,528

ABOITE TOWNSHIP, ALLEN COUNTY  
 SUPPLEMENTARY INFORMATION  
 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.

	Ending Balance
Governmental activities:	
Land	\$ 4,775,000
Infrastructure	2,025,000
Buildings	2,635,386
Improvements other than buildings	633,272
Machinery, equipment and vehicles	8,371,000
Construction in progress	3,500
Books and other	346,000
Total governmental activities	18,789,158
Total capital assets	\$ 18,789,158

ABOITE TOWNSHIP, ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2012, with Barbara Krisher, Township Trustee. Our examination disclosed no material items that warrant comment at this time.