

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

PERRY TOWNSHIP

NOBLE COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED

04/16/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Barbara Donley	01-01-07 to 12-31-14
Chairman of the Township Board	Gary Peterson	01-01-10 to 12-31-10
	Randy Kirkpatrick	01-01-11 to 12-31-11
	Kenny Simmons	01-01-12 to 12-31-12
	Gary Peterson	01-01-13 to 12-31-13
	Randy Kirkpatrick	01-01-14 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PERRY TOWNSHIP, NOBLE COUNTY, INDIANA

We have examined the accompanying financial statements of Perry Township (Township), for the period of January 1, 2010 to December 31, 2012. 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.

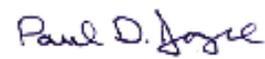
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary 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 Indiana 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2012.

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 period of January 1, 2010 to December 31, 2012, 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.


Paul D. Joyce, CPA
State Examiner

March 4, 2014

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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.

PERRY TOWNSHIP, NOBLE 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	\$ 368,107	\$ 93,190	\$ 51,011	\$ 410,286
Township Assistance	146,376	19,385	9,739	156,022
Firefighting	58,926	46,714	46,974	58,666
Cumulative Fire	114,718	27,053	-	141,771
Park And Recreation	14,467	5,764	4,225	16,006
Levy Excess	-	417	-	417
Rainy Day	1,496	5,297	-	6,793
Library Fund	33,589	25,133	20,000	38,722
Non Motorized Vehicles Plates	-	8,875	8,875	-
Payroll Deductions	-	9,814	9,814	-
Totals	<u>\$ 737,679</u>	<u>\$ 241,642</u>	<u>\$ 150,638</u>	<u>\$ 828,683</u>

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

PERRY TOWNSHIP, NOBLE 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	\$ 410,286	\$ 91,937	\$ 50,714	\$ 451,509
Park And Recreation	16,006	6,545	4,225	18,326
Township Assistance	156,022	19,412	15,236	160,198
Firefighting	58,666	46,102	59,218	45,550
Library Fund	38,722	25,402	20,000	44,124
Non Motorized Vehical Plate	-	10,025	10,025	-
Rainy Day	6,793	-	-	6,793
Levy Excess	417	-	-	417
Cumulative Fire	141,771	25,784	-	167,555
Payroll Deductions	-	9,595	9,595	-
Totals	<u>\$ 828,683</u>	<u>\$ 234,802</u>	<u>\$ 169,013</u>	<u>\$ 894,472</u>

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

PERRY TOWNSHIP, NOBLE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Township	\$ 451,509	\$ 94,646	\$ 55,687	\$ 490,468
Park And Recreation	18,326	6,088	4,225	20,189
Township Assistance	160,198	18,029	11,629	166,598
Firefighting	45,550	54,742	49,456	50,836
Library Fund	44,124	23,218	20,000	47,342
Non Motorized Vehical Plate	-	10,850	10,850	-
Rainy Day	6,793	-	-	6,793
Levy Excess	417	-	-	417
Cumulative Fire	167,555	23,548	-	191,103
Payroll Deductions	-	9,442	9,574	(132)
Totals	<u>\$ 894,472</u>	<u>\$ 240,563</u>	<u>\$ 161,421</u>	<u>\$ 973,614</u>

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

PERRY TOWNSHIP, NOBLE 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 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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, financial institution tax received from the state, auto excise surtax received from the state, and commercial vehicle excise tax received from the state.

Charges for services which can include, but are not limited to the following: copies of public records, copy machine charges, and park rental fees.

PERRY TOWNSHIP, NOBLE 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 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.

PERRY TOWNSHIP, NOBLE 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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's Annual Report information for years 2011 and later 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.

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

	Township	Township Assistance	Firefighting	Cumulative Fire	Park And Recreation	Levy Excess
Cash and investments - beginning	\$ 368,107	\$ 146,376	\$ 58,926	\$ 114,718	\$ 14,467	\$ -
Receipts:						
Taxes	91,129	19,385	46,223	27,053	5,764	417
Other receipts	2,061	-	491	-	-	-
Total receipts	<u>93,190</u>	<u>19,385</u>	<u>46,714</u>	<u>27,053</u>	<u>5,764</u>	<u>417</u>
Disbursements:						
Personal services	37,916	-	-	-	-	-
Supplies	473	-	2,816	-	-	-
Other services and charges	12,622	679	44,158	-	4,225	-
Other disbursements	-	9,060	-	-	-	-
Total disbursements	<u>51,011</u>	<u>9,739</u>	<u>46,974</u>	<u>-</u>	<u>4,225</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>42,179</u>	<u>9,646</u>	<u>(260)</u>	<u>27,053</u>	<u>1,539</u>	<u>417</u>
Cash and investments - ending	<u>\$ 410,286</u>	<u>\$ 156,022</u>	<u>\$ 58,666</u>	<u>\$ 141,771</u>	<u>\$ 16,006</u>	<u>\$ 417</u>

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

	Rainy Day	Library Fund	Non Motorized Vehicles Plates	Payroll Deductions	Totals
Cash and investments - beginning	\$ 1,496	\$ 33,589	\$ -	\$ -	\$ 737,679
Receipts:					
Taxes	5,297	25,133	-	-	220,401
Other receipts	-	-	8,875	9,814	21,241
Total receipts	<u>5,297</u>	<u>25,133</u>	<u>8,875</u>	<u>9,814</u>	<u>241,642</u>
Disbursements:					
Personal services	-	-	8,875	-	46,791
Supplies	-	-	-	-	3,289
Other services and charges	-	20,000	-	-	81,684
Other disbursements	-	-	-	9,814	18,874
Total disbursements	<u>-</u>	<u>20,000</u>	<u>8,875</u>	<u>9,814</u>	<u>150,638</u>
Excess (deficiency) of receipts over disbursements	<u>5,297</u>	<u>5,133</u>	<u>-</u>	<u>-</u>	<u>91,004</u>
Cash and investments - ending	<u>\$ 6,793</u>	<u>\$ 38,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,683</u>

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

	Township	Park And Recreation	Township Assistance	Firefighting	Library Fund	Non Motorized Vehical Plate
Cash and investments - beginning	\$ 410,286	\$ 16,006	\$ 156,022	\$ 58,666	\$ 38,722	\$ -
Receipts:						
Taxes	85,354	6,164	18,281	7,201	23,395	-
Intergovernmental	5,474	381	1,131	32,655	2,007	-
Charges for services	-	-	-	6,053	-	-
Other receipts	1,109	-	-	193	-	10,025
Total receipts	<u>91,937</u>	<u>6,545</u>	<u>19,412</u>	<u>46,102</u>	<u>25,402</u>	<u>10,025</u>
Disbursements:						
Personal services	38,216	1,100	-	-	-	10,025
Supplies	909	1,500	-	14,141	-	-
Other services and charges	11,469	1,125	15,236	45,077	20,000	-
Debt service - principal and interest	120	-	-	-	-	-
Capital outlay	-	500	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>50,714</u>	<u>4,225</u>	<u>15,236</u>	<u>59,218</u>	<u>20,000</u>	<u>10,025</u>
Excess (deficiency) of receipts over disbursements	<u>41,223</u>	<u>2,320</u>	<u>4,176</u>	<u>(13,116)</u>	<u>5,402</u>	<u>-</u>
Cash and investments - ending	<u>\$ 451,509</u>	<u>\$ 18,326</u>	<u>\$ 160,198</u>	<u>\$ 45,550</u>	<u>\$ 44,124</u>	<u>\$ -</u>

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

	Rainy Day	Levy Excess	Cumulative Fire	Payroll Deductions	Totals
Cash and investments - beginning	\$ 6,793	\$ 417	\$ 141,771	\$ -	\$ 828,683
Receipts:					
Taxes	-	-	23,795	-	164,190
Intergovernmental	-	-	1,989	-	43,637
Charges for services	-	-	-	-	6,053
Other receipts	-	-	-	9,595	20,922
Total receipts	-	-	25,784	9,595	234,802
Disbursements:					
Personal services	-	-	-	-	49,341
Supplies	-	-	-	-	16,550
Other services and charges	-	-	-	-	92,907
Debt service - principal and interest	-	-	-	-	120
Capital outlay	-	-	-	-	500
Other disbursements	-	-	-	9,595	9,595
Total disbursements	-	-	-	9,595	169,013
Excess (deficiency) of receipts over disbursements	-	-	25,784	-	65,789
Cash and investments - ending	\$ 6,793	\$ 417	\$ 167,555	\$ -	\$ 894,472

PERRY TOWNSHIP, NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	Township	Park And Recreation	Township Assistance	Firefighting	Library Fund	Non Motorized Vehical Plate
Cash and investments - beginning	\$ 451,509	\$ 18,326	\$ 160,198	\$ 45,550	\$ 44,124	\$ -
Receipts:						
Taxes	78,954	5,718	16,934	4,307	21,096	-
Intergovernmental	13,967	370	1,095	43,572	2,122	-
Charges for services	-	-	-	3,146	-	-
Other receipts	1,725	-	-	3,717	-	10,850
Total receipts	<u>94,646</u>	<u>6,088</u>	<u>18,029</u>	<u>54,742</u>	<u>23,218</u>	<u>10,850</u>
Disbursements:						
Personal services	39,129	1,100	-	-	-	-
Supplies	461	2,625	-	4,790	-	-
Other services and charges	16,097	-	11,629	44,666	20,000	10,850
Capital outlay	-	500	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>55,687</u>	<u>4,225</u>	<u>11,629</u>	<u>49,456</u>	<u>20,000</u>	<u>10,850</u>
Excess (deficiency) of receipts over disbursements	<u>38,959</u>	<u>1,863</u>	<u>6,400</u>	<u>5,286</u>	<u>3,218</u>	<u>-</u>
Cash and investments - ending	<u>\$ 490,468</u>	<u>\$ 20,189</u>	<u>\$ 166,598</u>	<u>\$ 50,836</u>	<u>\$ 47,342</u>	<u>\$ -</u>

PERRY TOWNSHIP, NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Rainy Day	Levy Excess	Cumulative Fire	Payroll Deductions	Totals
Cash and investments - beginning	\$ 6,793	\$ 417	\$ 167,555	\$ -	\$ 894,472
Receipts:					
Taxes	-	-	21,887	-	148,896
Intergovernmental	-	-	1,661	-	62,787
Charges for services	-	-	-	-	3,146
Other receipts	-	-	-	9,442	25,734
Total receipts	-	-	23,548	9,442	240,563
Disbursements:					
Personal services	-	-	-	-	40,229
Supplies	-	-	-	-	7,876
Other services and charges	-	-	-	-	103,242
Capital outlay	-	-	-	-	500
Other disbursements	-	-	-	9,574	9,574
Total disbursements	-	-	-	9,574	161,421
Excess (deficiency) of receipts over disbursements	-	-	23,548	(132)	79,142
Cash and investments - ending	\$ 6,793	\$ 417	\$ 191,103	\$ (132)	\$ 973,614

PERRY TOWNSHIP, NOBLE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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:	
Machinery, equipment, and vehicles	<u>\$ 256,217</u>
Total capital assets	<u><u>\$ 256,217</u></u>

PERRY TOWNSHIP, NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2014, with Barbara Donley, Trustee.