

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

OHIO TOWNSHIP

BARTHOLOMEW COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
02/14/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Wayne Freeman JoAnne Flohr	01-01-12 to 01-17-12 01-18-12 to 12-31-16
Chairman of the Township Board	Jay Frederick Kirk D. Brownfield	01-01-12 to 12-31-14 01-01-15 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OHIO TOWNSHIP, BARTHOLOMEW COUNTY, INDIANA

We have examined the accompanying financial statements of Ohio Township (Township), for the period of January 1, 2012 to December 31, 2015. 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 to the financial statements, 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.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present, 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, 2012 to December 31, 2015.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015, based on the prescribed 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 12, 2016

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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.

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Township	\$ 50,941	\$ 12,391	\$ 9,635	\$ 53,697	\$ 5,409	\$ 10,478	\$ 48,628
Township Assistance	22,603	6,386	5,772	23,217	8,927	14,163	17,981
Fire Fighting	26,268	45,066	27,133	44,201	26,429	28,800	41,830
Levy Excess	2,107	1,666	-	3,773	-	-	3,773
Cumulative Fire	46,357	22,256	37,033	31,580	17,221	37,275	11,526
Fire Debt	(70,792)	46,516	41,590	(65,866)	144,757	25,985	52,906
Totals	<u>\$ 77,484</u>	<u>\$ 134,281</u>	<u>\$ 121,163</u>	<u>\$ 90,602</u>	<u>\$ 202,743</u>	<u>\$ 116,701</u>	<u>\$ 176,644</u>

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

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OHIO TOWNSHIP, BARTHOLOMEW COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ 48,627	\$ 26,093	\$ 14,531	\$ 60,189	\$ 17,846	\$ 23,026	\$ 55,009
Township Assistance	17,982	5,984	17,344	6,622	9,368	10,409	5,581
Fire Fighting	41,830	11,477	31,986	21,321	16,766	50,000	(11,913)
Cumulative Fire	11,526	15,510	2,689	24,347	15,357	2,214	37,490
Levy Excess	3,773	-	-	3,773	-	-	3,773
Fire Debt	52,906	40,791	25,985	67,712	-	25,985	41,727
Totals	<u>\$ 176,644</u>	<u>\$ 99,855</u>	<u>\$ 92,535</u>	<u>\$ 183,964</u>	<u>\$ 59,337</u>	<u>\$ 111,634</u>	<u>\$ 131,667</u>

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

OHIO TOWNSHIP, BARTHOLOMEW 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), 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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

Other receipts. Amounts received from various sources, including, but 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.

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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.

OHIO TOWNSHIP, BARTHOLOMEW 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, the following: 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.

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6. Fund Balance Deficit

The Fire Fighting fund had a deficit balance at December 31, 2015. This is a result of failing to post tax distributions in the correct fund.

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OTHER INFORMATION - UNEXAMINED

The Township's Annual Financial 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 Township's Annual Financial Report 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 other information presented was approved by management of the Township. It is presented as intended by the Township.

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Township	Township Assistance	Fire Fighting	Levy Excess	Cumulative Fire	Fire Debt	Totals
Cash and investments - beginning	\$ 50,941	\$ 22,603	\$ 26,268	\$ 2,107	\$ 46,357	\$ (70,792)	\$ 77,484
Receipts:							
Taxes	9,769	5,094	13,354	-	17,824	36,835	82,876
Intergovernmental receipts	2,497	1,292	31,712	1,666	4,432	9,681	51,280
Other receipts	125	-	-	-	-	-	125
Total receipts	<u>12,391</u>	<u>6,386</u>	<u>45,066</u>	<u>1,666</u>	<u>22,256</u>	<u>46,516</u>	<u>134,281</u>
Disbursements:							
Personal services	6,227	-	-	-	-	-	6,227
Supplies	239	-	-	-	37,033	-	37,272
Other services and charges	3,169	5,772	27,133	-	-	87	36,161
Debt service - principal and interest	-	-	-	-	-	41,503	41,503
Total disbursements	<u>9,635</u>	<u>5,772</u>	<u>27,133</u>	<u>-</u>	<u>37,033</u>	<u>41,590</u>	<u>121,163</u>
Excess (deficiency) of receipts over disbursements	<u>2,756</u>	<u>614</u>	<u>17,933</u>	<u>1,666</u>	<u>(14,777)</u>	<u>4,926</u>	<u>13,118</u>
Cash and investments - ending	<u>\$ 53,697</u>	<u>\$ 23,217</u>	<u>\$ 44,201</u>	<u>\$ 3,773</u>	<u>\$ 31,580</u>	<u>\$ (65,866)</u>	<u>\$ 90,602</u>

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Township	Township Assistance	Fire Fighting	Levy Excess	Cumulative Fire	Fire Debt	Totals
Cash and investments - beginning	\$ 53,697	\$ 23,217	\$ 44,201	\$ 3,773	\$ 31,580	\$ (65,866)	\$ 90,602
Receipts:							
Taxes	5,143	8,571	-	-	-	-	13,714
Intergovernmental receipts	213	356	26,429	-	17,221	144,757	188,976
Other receipts	53	-	-	-	-	-	53
Total receipts	<u>5,409</u>	<u>8,927</u>	<u>26,429</u>	<u>-</u>	<u>17,221</u>	<u>144,757</u>	<u>202,743</u>
Disbursements:							
Personal services	6,872	-	-	-	-	-	6,872
Supplies	151	-	-	-	4,345	-	4,496
Other services and charges	3,455	14,163	28,800	-	3,567	-	49,985
Debt service - principal and interest	-	-	-	-	-	25,985	25,985
Capital outlay	-	-	-	-	29,363	-	29,363
Total disbursements	<u>10,478</u>	<u>14,163</u>	<u>28,800</u>	<u>-</u>	<u>37,275</u>	<u>25,985</u>	<u>116,701</u>
Excess (deficiency) of receipts over disbursements	<u>(5,069)</u>	<u>(5,236)</u>	<u>(2,371)</u>	<u>-</u>	<u>(20,054)</u>	<u>118,772</u>	<u>86,042</u>
Cash and investments - ending	<u>\$ 48,628</u>	<u>\$ 17,981</u>	<u>\$ 41,830</u>	<u>\$ 3,773</u>	<u>\$ 11,526</u>	<u>\$ 52,906</u>	<u>\$ 176,644</u>

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Levy Excess	Fire Debt	Totals
Cash and investments - beginning	\$ 48,627	\$ 17,982	\$ 41,830	\$ 11,526	\$ 3,773	\$ 52,906	\$ 176,644
Receipts:							
Taxes	10,702	5,584	-	15,510	-	-	31,796
Intergovernmental receipts	16,499	-	11,477	-	-	40,791	68,767
Other receipts	(1,108)	400	-	-	-	-	(708)
Total receipts	<u>26,093</u>	<u>5,984</u>	<u>11,477</u>	<u>15,510</u>	<u>-</u>	<u>40,791</u>	<u>99,855</u>
Disbursements:							
Personal services	7,649	-	586	-	-	-	8,235
Supplies	286	-	6,400	-	-	-	6,686
Other services and charges	5,540	17,344	25,000	2,689	-	50	50,623
Debt service - principal and interest	-	-	-	-	-	25,935	25,935
Other disbursements	1,056	-	-	-	-	-	1,056
Total disbursements	<u>14,531</u>	<u>17,344</u>	<u>31,986</u>	<u>2,689</u>	<u>-</u>	<u>25,985</u>	<u>92,535</u>
Excess (deficiency) of receipts over disbursements	<u>11,562</u>	<u>(11,360)</u>	<u>(20,509)</u>	<u>12,821</u>	<u>-</u>	<u>14,806</u>	<u>7,320</u>
Cash and investments - ending	<u>\$ 60,189</u>	<u>\$ 6,622</u>	<u>\$ 21,321</u>	<u>\$ 24,347</u>	<u>\$ 3,773</u>	<u>\$ 67,712</u>	<u>\$ 183,964</u>

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Levy Excess	Fire Debt	Totals
Cash and investments - beginning	\$ 60,189	\$ 6,622	\$ 21,321	\$ 24,347	\$ 3,773	\$ 67,712	\$ 183,964
Receipts:							
Taxes	7,525	9,368	11,825	-	-	-	28,718
Intergovernmental receipts	10,112	-	4,941	15,357	-	-	30,410
Other receipts	209	-	-	-	-	-	209
Total receipts	<u>17,846</u>	<u>9,368</u>	<u>16,766</u>	<u>15,357</u>	<u>-</u>	<u>-</u>	<u>59,337</u>
Disbursements:							
Personal services	7,649	-	-	-	-	-	7,649
Supplies	654	-	-	-	-	-	654
Other services and charges	13,621	10,409	50,000	2,214	-	50	76,294
Debt service - principal and interest	-	-	-	-	-	25,935	25,935
Other disbursements	1,102	-	-	-	-	-	1,102
Total disbursements	<u>23,026</u>	<u>10,409</u>	<u>50,000</u>	<u>2,214</u>	<u>-</u>	<u>25,985</u>	<u>111,634</u>
Excess (deficiency) of receipts over disbursements	<u>(5,180)</u>	<u>(1,041)</u>	<u>(33,234)</u>	<u>13,143</u>	<u>-</u>	<u>(25,985)</u>	<u>(52,297)</u>
Cash and investments - ending	<u>\$ 55,009</u>	<u>\$ 5,581</u>	<u>\$ (11,913)</u>	<u>\$ 37,490</u>	<u>\$ 3,773</u>	<u>\$ 41,727</u>	<u>\$ 131,667</u>

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2015

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Building of new fire station	\$ 391,000	\$ 25,935
Totals		<u>\$ 391,000</u>	<u>\$ 25,935</u>

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2015

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	\$ 75,000
Buildings	425,000
Improvements other than buildings	33,000
Machinery, equipment, and vehicles	480,000
Books and other	500
Total governmental activities	1,013,500
Total capital assets	\$ 1,013,500

OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.