

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

COLUMBUS TOWNSHIP

BARTHOLOMEW COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
08/13/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Frederick E. Barks Benjamin Jackson	01-01-07 to 06-28-13 06-29-13 to 12-31-14
Chairman of the Township Board	Doug Hollenbeck	01-01-10 to 12-31-13



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Columbus 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 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 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, Schedule of Payables and Receivables, 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.

Bruce Hartman
State Examiner

June 25, 2013

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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.

COLUMBUS TOWNSHIP, BARTHOLOMEW 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	\$ 210,188	\$ 97,065	\$ 165,299	\$ 141,954
Township Assistance	115,479	825,590	526,512	414,557
Fire Fighting	146,190	518,540	506,545	158,185
Rainy Day	-	53,349	22,442	30,907
Cumulative Fire	30,319	125,743	91,989	64,073
Fire Equipment Debt	23,467	-	23,467	-
Fire Debt	16,521	293,479	155,000	155,000
Totals	<u>\$ 542,164</u>	<u>\$ 1,913,766</u>	<u>\$ 1,491,254</u>	<u>\$ 964,676</u>

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

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Township	\$ 141,954	\$ 118,101	\$ 167,870	\$ 92,185	\$ 276,498	\$ 191,499	\$ 177,184
Township Assistance	414,557	829,180	893,012	350,725	422,864	567,684	205,905
Fire Fighting	158,185	506,712	501,420	163,477	671,891	522,531	312,837
Rainy Day	30,907	-	-	30,907	-	-	30,907
Cumulative Fire	64,073	35,491	64,934	34,630	177,553	145,868	66,315
Fire Debt	155,000	391,271	489,813	56,458	1,260,826	970,000	347,284
Totals	<u>\$ 964,676</u>	<u>\$ 1,880,755</u>	<u>\$ 2,117,049</u>	<u>\$ 728,382</u>	<u>\$ 2,809,632</u>	<u>\$ 2,397,582</u>	<u>\$ 1,140,432</u>

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

COLUMBUS 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), 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 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.

COLUMBUS TOWNSHIP, BARTHOLOMEW 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.

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.

COLUMBUS 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, 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.

COLUMBUS TOWNSHIP, BARTHOLOMEW 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 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.

COLUMBUS TOWNSHIP, BARTHOLOMEW 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	Rainy Day	Cumulative Fire	Fire Equipment Debt	Fire Debt	Totals
Cash and investments - beginning	\$ 210,188	\$ 115,479	\$ 146,190	\$ -	\$ 30,319	\$ 23,467	\$ 16,521	\$ 542,164
Receipts:								
Taxes	78,885	778,502	205,966	-	31,097	-	291,191	1,385,641
Other receipts	18,180	47,088	312,574	53,349	94,646	-	2,288	528,125
Total receipts	97,065	825,590	518,540	53,349	125,743	-	293,479	1,913,766
Disbursements:								
Personal services	124,840	201,432	245,166	-	-	-	-	571,438
Supplies	1,251	261,594	4,809	-	-	-	-	267,654
Other services and charges	39,208	57,513	245,044	-	-	-	155,000	496,765
Capital outlay	-	5,973	11,149	-	38,325	-	-	55,447
Other disbursements	-	-	377	22,442	53,664	23,467	-	99,950
Total disbursements	165,299	526,512	506,545	22,442	91,989	23,467	155,000	1,491,254
Excess (deficiency) of receipts over disbursements	(68,234)	299,078	11,995	30,907	33,754	(23,467)	138,479	422,512
Cash and investments - ending	\$ 141,954	\$ 414,557	\$ 158,185	\$ 30,907	\$ 64,073	\$ -	\$ 155,000	\$ 964,676

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

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Fire Debt	Totals
Cash and investments - beginning	\$ 141,954	\$ 414,557	\$ 158,185	\$ 30,907	\$ 64,073	\$ 155,000	\$ 964,676
Receipts:							
Taxes	42,390	617,996	172,579	-	32,761	51,277	917,003
Intergovernmental	66,725	204,135	14,133	-	2,730	4,969	292,692
Other receipts	8,986	7,049	320,000	-	-	335,025	671,060
Total receipts	<u>118,101</u>	<u>829,180</u>	<u>506,712</u>	<u>-</u>	<u>35,491</u>	<u>391,271</u>	<u>1,880,755</u>
Disbursements:							
Personal services	126,415	169,708	249,124	-	-	-	545,247
Supplies	2,037	3,891	5,244	-	-	-	11,172
Other services and charges	38,431	384,597	232,933	-	-	489,813	1,145,774
Capital outlay	987	-	14,119	-	64,934	-	80,040
Other disbursements	-	334,816	-	-	-	-	334,816
Total disbursements	<u>167,870</u>	<u>893,012</u>	<u>501,420</u>	<u>-</u>	<u>64,934</u>	<u>489,813</u>	<u>2,117,049</u>
Excess (deficiency) of receipts over disbursements	<u>(49,769)</u>	<u>(63,832)</u>	<u>5,292</u>	<u>-</u>	<u>(29,443)</u>	<u>(98,542)</u>	<u>(236,294)</u>
Cash and investments - ending	<u>\$ 92,185</u>	<u>\$ 350,725</u>	<u>\$ 163,477</u>	<u>\$ 30,907</u>	<u>\$ 34,630</u>	<u>\$ 56,458</u>	<u>\$ 728,382</u>

COLUMBUS 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	Rainy Day	Cumulative Fire	Fire Debt	Totals
Cash and investments - beginning	\$ 92,185	\$ 350,725	\$ 163,477	\$ 30,907	\$ 34,630	\$ 56,458	\$ 728,382
Receipts:							
Taxes	262,768	393,101	179,929	-	29,477	604,876	1,470,151
Intergovernmental	8,233	12,317	165,152	-	148,076	15,774	349,552
Other receipts	5,497	17,446	326,810	-	-	640,176	989,929
Total receipts	<u>276,498</u>	<u>422,864</u>	<u>671,891</u>	<u>-</u>	<u>177,553</u>	<u>1,260,826</u>	<u>2,809,632</u>
Disbursements:							
Personal services	137,185	194,377	271,005	-	-	-	602,567
Supplies	1,699	7,490	5,050	-	-	-	14,239
Other services and charges	50,378	365,817	216,386	-	-	650,000	1,282,581
Debt service - principal and interest	-	-	30,090	-	-	-	30,090
Capital outlay	2,237	-	-	-	145,868	-	148,105
Other disbursements	-	-	-	-	-	320,000	320,000
Total disbursements	<u>191,499</u>	<u>567,684</u>	<u>522,531</u>	<u>-</u>	<u>145,868</u>	<u>970,000</u>	<u>2,397,582</u>
Excess (deficiency) of receipts over disbursements	<u>84,999</u>	<u>(144,820)</u>	<u>149,360</u>	<u>-</u>	<u>31,685</u>	<u>290,826</u>	<u>412,050</u>
Cash and investments - ending	<u>\$ 177,184</u>	<u>\$ 205,905</u>	<u>\$ 312,837</u>	<u>\$ 30,907</u>	<u>\$ 66,315</u>	<u>\$ 347,284</u>	<u>\$ 1,140,432</u>

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 13,993	\$ -

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Emergency Fire Loan	\$ -	\$ 331,828
Totals		<u>\$ -</u>	<u>\$ 331,828</u>

COLUMBUS TOWNSHIP, BARTHOLOMEW 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:	
Land	\$ 200,000
Buildings	450,000
Machinery, equipment, and vehicles	<u>1,847,130</u>
Total governmental activities	<u>2,497,130</u>
Total capital assets	<u><u>\$ 2,497,130</u></u>

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2013, with Frederick E. Barks, Trustee; Sandra Barks, Clerk; Allen Smith, Clerk; and Roxanne Stallworth, Chief Deputy Trustee. Our examination disclosed no material items that warrant comment at this time.