

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

BOONE TOWNSHIP

PORTER COUNTY, INDIANA

January 1, 2013 to December 31, 2016



FILED
09/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Russell Franzman	01-01-11 to 12-31-18
Chairman of the Township Board	Jeff Patz	01-01-13 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BOONE TOWNSHIP, PORTER COUNTY, INDIANA

We have examined the accompanying financial statements of Boone Township (Township), for the period of January 1, 2013 to December 31, 2016. The Township's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. The nature, timing, and extent of the procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 described in the preceding paragraph, the financial statements for the period of January 1, 2013 to December 31, 2016, 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.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements for the period of January 1, 2013 to December 31, 2016, referred to above, present fairly the financial position and results of operations of the Township based on the prescribed basis of accounting described in Note 1 to the financial statements, in all material respects.

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, CPA
State Examiner

August 8, 2017

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.

BOONE TOWNSHIP, PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Township Fund	\$ 130,355	\$ 68,331	\$ 68,828	\$ 129,858	\$ 88,347	\$ 73,425	\$ 144,780
Township Assistance Fund	102,280	40,429	30,478	112,231	28,956	23,885	117,302
Fire Fighting Fund	58,293	35,739	39,000	55,032	37,921	40,968	51,985
Rainy Day Fund	31,363	10,000	4,071	37,292	-	3,990	33,302
Levy Excess Fund	-	-	-	-	39	-	39
Cumulative Fire	21,173	17,253	15,968	22,458	17,920	12,968	27,410
Payroll Deduction Fund	96	11,309	11,309	96	11,308	11,308	96
Totals	<u>\$ 343,560</u>	<u>\$ 183,061</u>	<u>\$ 169,654</u>	<u>\$ 356,967</u>	<u>\$ 184,491</u>	<u>\$ 166,544</u>	<u>\$ 374,914</u>

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

BOONE TOWNSHIP, PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2015 and 2016

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15	Receipts	Disbursements	Cash and Investments 12-31-16
Township Fund	\$ 144,780	\$ 97,709	\$ 70,954	\$ 171,535	\$ 95,530	\$ 71,600	\$ 195,465
Township Assistance Fund	117,302	22,788	40,307	99,783	28,484	38,413	89,854
Fire Fighting Fund	51,985	38,648	41,000	49,633	39,376	40,968	48,041
Rainy Day Fund	33,302	19,000	17,000	35,302	16,000	4,196	47,106
Levy Excess Fund	39	-	-	39	-	39	-
Cumulative Fire	27,410	18,088	20,266	25,232	18,004	12,968	30,268
Payroll Deduction Fund	96	11,308	11,308	96	11,308	11,308	96
Totals	<u>\$ 374,914</u>	<u>\$ 207,541</u>	<u>\$ 200,835</u>	<u>\$ 381,620</u>	<u>\$ 208,702</u>	<u>\$ 179,492</u>	<u>\$ 410,830</u>

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

BOONE TOWNSHIP, PORTER 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. 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.

BOONE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

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.

BOONE TOWNSHIP, PORTER 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.

BOONE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6. Subsequent Events

On January 27, 2017, the Township received \$166,905 from the Hebron Cemetery Association for Hebron Cemetery that will be used for maintenance.

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OTHER INFORMATION - UNEXAMINED

The Town's Annual Financial Reports 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 Township's Annual Financial Reports 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.

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

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Levy Excess Fund	Cumulative Fire	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 130,355	\$ 102,280	\$ 58,293	\$ 31,363	\$ -	\$ 21,173	\$ 96	\$ 343,560
Receipts:								
Taxes	60,853	36,236	32,654	-	-	15,764	-	145,507
Intergovernmental receipts	7,042	4,193	3,085	-	-	1,489	-	15,809
Other receipts	436	-	-	10,000	-	-	11,309	21,745
Total receipts	<u>68,331</u>	<u>40,429</u>	<u>35,739</u>	<u>10,000</u>	<u>-</u>	<u>17,253</u>	<u>11,309</u>	<u>183,061</u>
Disbursements:								
Personal services	40,584	-	-	-	-	-	-	40,584
Supplies	350	1,621	-	-	-	-	-	1,971
Other services and charges	18,853	23,857	-	4,071	-	-	-	46,781
Capital outlay	4,041	-	39,000	-	-	15,968	-	59,009
Other disbursements	5,000	5,000	-	-	-	-	11,309	21,309
Total disbursements	<u>68,828</u>	<u>30,478</u>	<u>39,000</u>	<u>4,071</u>	<u>-</u>	<u>15,968</u>	<u>11,309</u>	<u>169,654</u>
Excess (deficiency) of receipts over disbursements	<u>(497)</u>	<u>9,951</u>	<u>(3,261)</u>	<u>5,929</u>	<u>-</u>	<u>1,285</u>	<u>-</u>	<u>13,407</u>
Cash and investments - ending	<u>\$ 129,858</u>	<u>\$ 112,231</u>	<u>\$ 55,032</u>	<u>\$ 37,292</u>	<u>\$ -</u>	<u>\$ 22,458</u>	<u>\$ 96</u>	<u>\$ 356,967</u>

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

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Levy Excess Fund	Cumulative Fire	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 129,858	\$ 112,231	\$ 55,032	\$ 37,292	\$ -	\$ 22,458	\$ 96	\$ 356,967
Receipts:								
Taxes	79,320	26,048	34,407	-	-	16,219	-	155,994
Intergovernmental receipts	8,568	2,908	3,514	-	-	1,701	-	16,691
Other receipts	459	-	-	-	39	-	11,308	11,806
Total receipts	<u>88,347</u>	<u>28,956</u>	<u>37,921</u>	<u>-</u>	<u>39</u>	<u>17,920</u>	<u>11,308</u>	<u>184,491</u>
Disbursements:								
Personal services	40,584	-	-	-	-	-	-	40,584
Supplies	631	509	-	-	-	-	-	1,140
Other services and charges	32,210	23,376	-	3,990	-	-	-	59,576
Capital outlay	-	-	40,968	-	-	12,968	-	53,936
Other disbursements	-	-	-	-	-	-	11,308	11,308
Total disbursements	<u>73,425</u>	<u>23,885</u>	<u>40,968</u>	<u>3,990</u>	<u>-</u>	<u>12,968</u>	<u>11,308</u>	<u>166,544</u>
Excess (deficiency) of receipts over disbursements	<u>14,922</u>	<u>5,071</u>	<u>(3,047)</u>	<u>(3,990)</u>	<u>39</u>	<u>4,952</u>	<u>-</u>	<u>17,947</u>
Cash and investments - ending	<u>\$ 144,780</u>	<u>\$ 117,302</u>	<u>\$ 51,985</u>	<u>\$ 33,302</u>	<u>\$ 39</u>	<u>\$ 27,410</u>	<u>\$ 96</u>	<u>\$ 374,914</u>

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

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Levy Excess Fund	Cumulative Fire	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 144,780	\$ 117,302	\$ 51,985	\$ 33,302	\$ 39	\$ 27,410	\$ 96	\$ 374,914
Receipts:								
Taxes	88,975	20,850	35,683	-	-	16,700	-	162,208
Intergovernmental receipts	8,269	1,938	2,965	-	-	1,388	-	14,560
Other receipts	465	-	-	19,000	-	-	11,308	30,773
Total receipts	<u>97,709</u>	<u>22,788</u>	<u>38,648</u>	<u>19,000</u>	<u>-</u>	<u>18,088</u>	<u>11,308</u>	<u>207,541</u>
Disbursements:								
Personal services	40,584	-	-	-	-	-	-	40,584
Supplies	484	1,046	-	-	-	-	-	1,530
Other services and charges	25,108	24,261	-	17,000	-	-	-	66,369
Capital outlay	778	-	41,000	-	-	20,266	-	62,044
Other disbursements	4,000	15,000	-	-	-	-	11,308	30,308
Total disbursements	<u>70,954</u>	<u>40,307</u>	<u>41,000</u>	<u>17,000</u>	<u>-</u>	<u>20,266</u>	<u>11,308</u>	<u>200,835</u>
Excess (deficiency) of receipts over disbursements	<u>26,755</u>	<u>(17,519)</u>	<u>(2,352)</u>	<u>2,000</u>	<u>-</u>	<u>(2,178)</u>	<u>-</u>	<u>6,706</u>
Cash and investments - ending	<u>\$ 171,535</u>	<u>\$ 99,783</u>	<u>\$ 49,633</u>	<u>\$ 35,302</u>	<u>\$ 39</u>	<u>\$ 25,232</u>	<u>\$ 96</u>	<u>\$ 381,620</u>

BOONE TOWNSHIP, PORTER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Levy Excess Fund	Cumulative Fire	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 171,535	\$ 99,783	\$ 49,633	\$ 35,302	\$ 39	\$ 25,232	\$ 96	\$ 381,620
Receipts:								
Taxes	86,239	25,499	36,022	-	-	16,470	-	164,230
Intergovernmental receipts	8,743	2,585	3,354	-	-	1,534	-	16,216
Other receipts	548	400	-	16,000	-	-	11,308	28,256
Total receipts	<u>95,530</u>	<u>28,484</u>	<u>39,376</u>	<u>16,000</u>	<u>-</u>	<u>18,004</u>	<u>11,308</u>	<u>208,702</u>
Disbursements:								
Personal services	40,584	-	-	-	-	-	-	40,584
Supplies	300	1,376	-	-	-	-	-	1,676
Other services and charges	22,716	29,037	-	4,196	-	-	-	55,949
Capital outlay	-	-	40,968	-	-	12,968	-	53,936
Other disbursements	8,000	8,000	-	-	39	-	11,308	27,347
Total disbursements	<u>71,600</u>	<u>38,413</u>	<u>40,968</u>	<u>4,196</u>	<u>39</u>	<u>12,968</u>	<u>11,308</u>	<u>179,492</u>
Excess (deficiency) of receipts over disbursements	<u>23,930</u>	<u>(9,929)</u>	<u>(1,592)</u>	<u>11,804</u>	<u>(39)</u>	<u>5,036</u>	<u>-</u>	<u>29,210</u>
Cash and investments - ending	<u>\$ 195,465</u>	<u>\$ 89,854</u>	<u>\$ 48,041</u>	<u>\$ 47,106</u>	<u>\$ -</u>	<u>\$ 30,268</u>	<u>\$ 96</u>	<u>\$ 410,830</u>

BOONE TOWNSHIP, PORTER COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Notes and loans payable	PURCHASE NEW FIRE ENGINE	\$ 52,093	\$ 53,935
Totals		<u>\$ 52,093</u>	<u>\$ 53,935</u>

BOONE TOWNSHIP, PORTER COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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	\$ 120,000
Machinery, equipment, and vehicles	556,375
Total governmental activities	676,375
Total capital assets	\$ 676,375

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/>.