

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TRI-TOWNSHIP FIRE PROTECTION DISTRICT

CLARK COUNTY, INDIANA

January 1, 2011 to December 31, 2016



FILED
01/16/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3-4
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	7-9
Notes to Financial Statements.....	10-13
Other Information - Unexamined:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	17-22
Schedule of Leases and Debt	23
Other Reports.....	24

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer/Fiscal Officer	William R. Collier Jerry Adams Tim C. Conlen	01-01-11 to 06-10-14 06-11-14 to 01-17-17 01-18-17 to 12-31-17
President of the Board	Tim C. Conlen Dale P. Cooke	01-01-11 to 09-07-15 09-08-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TRI-TOWNSHIP FIRE PROTECTION
DISTRICT, CLARK COUNTY, INDIANA

We have examined the accompanying financial statements of the Tri-Township Fire Protection District (District), for the period of January 1, 2011 to December 31, 2016. The District'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 judgment, 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 District 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, 2011 to December 31, 2016, 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 District.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements for the period of January 1, 2011 to December 31, 2016, referred to above, present the financial position and results of operations of the District 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 District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Leases and Debt, 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

November 28, 2017

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

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TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 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
Rainy Day	\$ 12,389	\$ -	\$ -	\$ 12,389	\$ -	\$ -	\$ 12,389
Cumulative Firefighting	148,449	171,037	117,601	201,885	112,095	199,385	114,595
Fire Equipment Debt	137,304	130,616	192,316	75,604	162,313	129,738	108,179
General	(233,520)	2,147,712	1,240,006	674,186	2,001,015	2,250,572	424,629
Totals	\$ 64,622	\$ 2,449,365	\$ 1,549,923	\$ 964,064	\$ 2,275,423	\$ 2,579,695	\$ 659,792

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

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended December 31, 2013 and 2014

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Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Rainy Day	\$ 12,389	\$ -	\$ -	\$ 12,389	\$ -	\$ -	\$ 12,389
Cumulative Firefighting	114,595	113,229	158,156	69,668	114,986	12,035	172,619
Fire Equipment Debt	108,179	81,776	129,738	60,217	132,858	193,075	-
General	424,629	1,675,745	2,049,373	51,001	1,424,534	1,470,930	4,605
Totals	\$ 659,792	\$ 1,870,750	\$ 2,337,267	\$ 193,275	\$ 1,672,378	\$ 1,676,040	\$ 189,613

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

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 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
Rainy Day	\$ 12,389	\$ -	\$ -	\$ 12,389	\$ 145,550	\$ -	\$ 157,939
Cumulative Firefighting	172,619	113,354	196,604	89,369	114,683	114,005	90,047
Fire Equipment Debt	-	2,957	-	2,957	-	-	2,957
General	4,605	1,365,873	1,370,290	188	1,404,406	1,401,338	3,256
Totals	\$ 189,613	\$ 1,482,184	\$ 1,566,894	\$ 104,903	\$ 1,664,639	\$ 1,515,343	\$ 254,199

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

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

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 District.

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.

Charges for services. Amounts received for services including, but not limited to, rental fees.

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
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.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District'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 District 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 District. 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 District. The amounts accounted for in a specific fund may only

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the District 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.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District 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 District 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 District 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 District 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.

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 District 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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OTHER INFORMATION - UNEXAMINED

The District'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 District'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 District. It is presented as intended by the District.

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TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	Rainy Day	Cumulative Firefighting	Fire Equipment Debt	General	Totals
Cash and investments - beginning	\$ 12,389	\$ 148,449	\$ 137,304	\$ (233,520)	\$ 64,622
Receipts:					
Taxes	-	152,479	116,169	1,205,477	1,474,125
Intergovernmental receipts	-	18,558	14,447	472,260	505,265
Other receipts	-	-	-	469,975	469,975
Total receipts	-	171,037	130,616	2,147,712	2,449,365
Disbursements:					
Personal services	-	-	-	5,919	5,919
Other services and charges	-	-	-	3,080	3,080
Debt service - principal and interest	-	-	129,739	13,501	143,240
Other disbursements	-	117,601	62,577	1,217,506	1,397,684
Total disbursements	-	117,601	192,316	1,240,006	1,549,923
Excess (deficiency) of receipts over disbursements	-	53,436	(61,700)	907,706	899,442
Cash and investments - ending	\$ 12,389	\$ 201,885	\$ 75,604	\$ 674,186	\$ 964,064

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Rainy Day	Cumulative Firefighting	Fire Equipment Debt	General	Totals
Cash and investments - beginning	\$ 12,389	\$ 201,885	\$ 75,604	\$ 674,186	\$ 964,064
Receipts:					
Taxes	-	101,434	146,876	861,802	1,110,112
Intergovernmental receipts	-	10,661	15,437	437,208	463,306
Other receipts	-	-	-	702,005	702,005
Total receipts	-	112,095	162,313	2,001,015	2,275,423
Disbursements:					
Personal services	-	-	-	5,378	5,378
Other services and charges	-	-	-	5,782	5,782
Debt service - principal and interest	-	-	129,738	710,433	840,171
Other disbursements	-	199,385	-	1,528,979	1,728,364
Total disbursements	-	199,385	129,738	2,250,572	2,579,695
Excess (deficiency) of receipts over disbursements	-	(87,290)	32,575	(249,557)	(304,272)
Cash and investments - ending	\$ 12,389	\$ 114,595	\$ 108,179	\$ 424,629	\$ 659,792

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Rainy Day	Cumulative Firefighting	Fire Equipment Debt	General	Totals
Cash and investments - beginning	\$ 12,389	\$ 114,595	\$ 108,179	\$ 424,629	\$ 659,792
Receipts:					
Taxes	-	102,728	74,192	863,404	1,040,324
Intergovernmental receipts	-	10,501	7,584	417,761	435,846
Other receipts	-	-	-	394,580	394,580
Total receipts	-	113,229	81,776	1,675,745	1,870,750
Disbursements:					
Personal services	-	-	-	5,818	5,818
Other services and charges	-	3,067	-	28,086	31,153
Debt service - principal and interest	-	-	129,738	752,831	882,569
Other disbursements	-	155,089	-	1,262,638	1,417,727
Total disbursements	-	158,156	129,738	2,049,373	2,337,267
Deficiency of receipts over disbursements	-	(44,927)	(47,962)	(373,628)	(466,517)
Cash and investments - ending	\$ 12,389	\$ 69,668	\$ 60,217	\$ 51,001	\$ 193,275

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Rainy Day	Cumulative Firefighting	Fire Equipment Debt	General	Totals
Cash and investments - beginning	\$ 12,389	\$ 69,668	\$ 60,217	\$ 51,001	\$ 193,275
Receipts:					
Taxes	-	100,255	119,864	869,879	1,089,998
Intergovernmental receipts	-	11,138	12,994	428,823	452,955
Charges for services	-	-	-	1	1
Other receipts	-	3,593	-	125,831	129,424
Total receipts	-	114,986	132,858	1,424,534	1,672,378
Disbursements:					
Personal services	-	-	-	7,626	7,626
Supplies	-	-	-	990	990
Other services and charges	-	7,382	-	23,316	30,698
Debt service - principal and interest	-	4,653	189,482	127,554	321,689
Other disbursements	-	-	3,593	1,311,444	1,315,037
Total disbursements	-	12,035	193,075	1,470,930	1,676,040
Excess (deficiency) of receipts over disbursements	-	102,951	(60,217)	(46,396)	(3,662)
Cash and investments - ending	\$ 12,389	\$ 172,619	\$ -	\$ 4,605	\$ 189,613

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	<u>Rainy Day</u>	<u>Cumulative Firefighting</u>	<u>Fire Equipment Debt</u>	<u>General</u>	<u>Totals</u>
Cash and investments - beginning	<u>\$ 12,389</u>	<u>\$ 172,619</u>	<u>\$ -</u>	<u>\$ 4,605</u>	<u>\$ 189,613</u>
Receipts:					
Taxes	-	107,666	2,667	975,853	1,086,186
Intergovernmental receipts	-	5,688	290	389,244	395,222
Charges for services	-	-	-	1	1
Other receipts	-	-	-	775	775
Total receipts	<u>-</u>	<u>113,354</u>	<u>2,957</u>	<u>1,365,873</u>	<u>1,482,184</u>
Disbursements:					
Personal services	-	-	-	15,533	15,533
Supplies	-	14,023	-	1,202	15,225
Other services and charges	-	-	-	33,924	33,924
Other disbursements	-	182,581	-	1,319,631	1,502,212
Total disbursements	<u>-</u>	<u>196,604</u>	<u>-</u>	<u>1,370,290</u>	<u>1,566,894</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(83,250)</u>	<u>2,957</u>	<u>(4,417)</u>	<u>(84,710)</u>
Cash and investments - ending	<u>\$ 12,389</u>	<u>\$ 89,369</u>	<u>\$ 2,957</u>	<u>\$ 188</u>	<u>\$ 104,903</u>

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Rainy Day	Cumulative Firefighting	Fire Equipment Debt	General	Totals
Cash and investments - beginning	\$ 12,389	\$ 89,369	\$ 2,957	\$ 188	\$ 104,903
Receipts:					
Taxes	-	103,366	-	938,765	1,042,131
Intergovernmental receipts	145,550	11,317	-	463,639	620,506
Other receipts	-	-	-	2,002	2,002
Total receipts	<u>145,550</u>	<u>114,683</u>	<u>-</u>	<u>1,404,406</u>	<u>1,664,639</u>
Disbursements:					
Personal services	-	-	-	22,015	22,015
Supplies	-	-	-	537	537
Other services and charges	-	2,200	-	25,361	27,561
Debt service - principal and interest	-	31,805	-	-	31,805
Capital outlay	-	80,000	-	-	80,000
Other disbursements	-	-	-	1,353,425	1,353,425
Total disbursements	<u>-</u>	<u>114,005</u>	<u>-</u>	<u>1,401,338</u>	<u>1,515,343</u>
Excess of receipts over disbursements	<u>145,550</u>	<u>678</u>	<u>-</u>	<u>3,068</u>	<u>149,296</u>
Cash and investments - ending	<u>\$ 157,939</u>	<u>\$ 90,047</u>	<u>\$ 2,957</u>	<u>\$ 3,256</u>	<u>\$ 254,199</u>

TRI-TOWNSHIP FIRE PROTECTION DISTRICT
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	E-ONE CAFS CUSTOM PUMPER	<u>\$ 425,110</u>	<u>\$ 63,610</u>

OTHER REPORTS

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