

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

FINANCIAL STATEMENTS AUDIT REPORT

OF

CARR TOWNSHIP

JACKSON COUNTY, INDIANA

January 1, 2014 to December 31, 2017



FILED
02/07/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	6-7
Notes to Financial Statements.....	8-11
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-17
Schedule of Leases and Debt	19
Other Reports.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Mary Ann Ault	01-01-11 to 12-31-18
Chairman of the Township Board	Joseph Campbell	01-01-14 to 12-31-18



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 AUDITOR'S REPORT

TO: THE OFFICIALS OF CARR TOWNSHIP, JACKSON COUNTY, INDIANA

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Carr Township (Township), which comprise the financial position and results of operations for the period of January 1, 2014 to December 31, 2017, and the related notes to the financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Township did not provide appropriate supporting documentation to substantiate the disbursements recorded in the accounting records. The Township's records do not permit the application of other auditing procedures to ascertain if the financial statements are fairly stated.

INDEPENDENT AUDITOR'S REPORT
(Continued)


Disclaimer of Opinion

Because of the significance of the matter discussed in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matters

Other Information

Our audit 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 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 any auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

December 18, 2018

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.

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

ϕ

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ 213,738	\$ 32,288	\$ 33,978	\$ 212,048	\$ 34,515	\$ 31,118	\$ 215,445
Township Assistance	57,019	12,540	25,442	44,117	30,989	24,062	51,044
Special Fire Territory General	8,696	18,905	35,559	(7,958)	67,033	40,801	18,274
Rainy Day	3,002	-	-	3,002	-	-	3,002
Levy Excess	737	-	-	737	-	-	737
Withholding	<u>2,559</u>	<u>3,046</u>	<u>5,925</u>	<u>(320)</u>	<u>4,735</u>	<u>3,340</u>	<u>1,075</u>
Totals	<u>\$ 285,751</u>	<u>\$ 66,779</u>	<u>\$ 100,904</u>	<u>\$ 251,626</u>	<u>\$ 137,272</u>	<u>\$ 99,321</u>	<u>\$ 289,577</u>

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

CARR TOWNSHIP, JACKSON COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended December 31, 2016 and 2017

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16	Receipts	Disbursements	Cash and Investments 12-31-17
Township	\$ 215,445	\$ 25,536	\$ 27,045	\$ 213,936	\$ 24,569	\$ 26,732	\$ 211,773
Township Assistance	51,044	24,639	18,695	56,988	27,200	19,359	64,829
Special Fire Territory General	18,274	50,377	51,020	17,631	61,375	32,646	46,360
Rainy Day	3,002	4,812	-	7,814	-	-	7,814
Levy Excess	737	-	-	737	-	-	737
Sp Fire Protection Equip Replace	-	-	-	-	15,046	10,000	5,046
Withholding	1,075	3,268	2,899	1,444	3,268	3,325	1,387
Totals	<u>\$ 289,577</u>	<u>\$ 108,632</u>	<u>\$ 99,659</u>	<u>\$ 298,550</u>	<u>\$ 131,458</u>	<u>\$ 92,062</u>	<u>\$ 337,946</u>

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

CARR TOWNSHIP, JACKSON 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.

CARR TOWNSHIP, JACKSON 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.

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

CARR TOWNSHIP, JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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 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.

CARR TOWNSHIP, JACKSON COUNTY
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 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.

(This page intentionally left blank.)

OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units 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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

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

	Township	Township Assistance	Special Fire Territory General	Rainy Day	Levy Excess	Withholding	Totals
Cash and investments - beginning	\$ 213,738	\$ 57,019	\$ 8,696	\$ 3,002	\$ 737	\$ 2,559	\$ 285,751
Receipts:							
Taxes	9,911	11,219	17,012	-	-	-	38,142
Intergovernmental receipts	17,974	1,321	1,893	-	-	-	21,188
Other receipts	4,403	-	-	-	-	3,046	7,449
Total receipts	32,288	12,540	18,905	-	-	3,046	66,779
Disbursements:							
Personal services	20,714	-	9,368	-	-	-	30,082
Supplies	1,161	-	4,056	-	-	-	5,217
Other services and charges	12,103	25,442	11,035	-	-	-	48,580
Debt service - principal and interest	-	-	10,000	-	-	-	10,000
Capital outlay	-	-	1,100	-	-	-	1,100
Other disbursements	-	-	-	-	-	5,925	5,925
Total disbursements	33,978	25,442	35,559	-	-	5,925	100,904
Excess (deficiency) of receipts over disbursements	(1,690)	(12,902)	(16,654)	-	-	(2,879)	(34,125)
Cash and investments - ending	\$ 212,048	\$ 44,117	\$ (7,958)	\$ 3,002	\$ 737	\$ (320)	\$ 251,626

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

	Township	Township Assistance	Special Fire Territory General	Rainy Day	Levy Excess	Withholding	Totals
Cash and investments - beginning	\$ 212,048	\$ 44,117	\$ (7,958)	\$ 3,002	\$ 737	\$ (320)	\$ 251,626
Receipts:							
Taxes	24,968	27,957	43,559	-	-	-	96,484
Intergovernmental receipts	4,924	3,032	21,724	-	-	-	29,680
Other receipts	4,623	-	1,750	-	-	4,735	11,108
Total receipts	34,515	30,989	67,033	-	-	4,735	137,272
Disbursements:							
Personal services	21,163	-	8,701	-	-	-	29,864
Supplies	180	-	1,976	-	-	-	2,156
Other services and charges	9,775	24,062	19,952	-	-	-	53,789
Capital outlay	-	-	10,172	-	-	-	10,172
Other disbursements	-	-	-	-	-	3,340	3,340
Total disbursements	31,118	24,062	40,801	-	-	3,340	99,321
Excess (deficiency) of receipts over disbursements	3,397	6,927	26,232	-	-	1,395	37,951
Cash and investments - ending	\$ 215,445	\$ 51,044	\$ 18,274	\$ 3,002	\$ 737	\$ 1,075	\$ 289,577

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

	Township	Township Assistance	Special Fire Territory General	Rainy Day	Levy Excess	Sp Fire Protection Equip Replace	Withholding	Totals
Cash and investments - beginning	\$ 215,445	\$ 51,044	\$ 18,274	\$ 3,002	\$ 737	\$ -	\$ 1,075	\$ 289,577
Receipts:								
Taxes	16,203	22,573	31,251	-	-	-	-	70,027
Intergovernmental receipts	5,777	2,066	19,126	4,812	-	-	-	31,781
Other receipts	3,556	-	-	-	-	-	3,268	6,824
Total receipts	25,536	24,639	50,377	4,812	-	-	3,268	108,632
Disbursements:								
Personal services	17,028	-	8,595	-	-	-	-	25,623
Supplies	821	-	6,074	-	-	-	-	6,895
Other services and charges	9,196	18,695	31,597	-	-	-	-	59,488
Capital outlay	-	-	4,754	-	-	-	-	4,754
Other disbursements	-	-	-	-	-	-	2,899	2,899
Total disbursements	27,045	18,695	51,020	-	-	-	2,899	99,659
Excess (deficiency) of receipts over disbursements	(1,509)	5,944	(643)	4,812	-	-	369	8,973
Cash and investments - ending	\$ 213,936	\$ 56,988	\$ 17,631	\$ 7,814	\$ 737	\$ -	\$ 1,444	\$ 298,550

CARR TOWNSHIP, JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Township	Township Assistance	Special Fire Territory General	Rainy Day	Levy Excess	Sp Fire Protection Equip Replace	Withholding	Totals
Cash and investments - beginning	\$ 213,936	\$ 56,988	\$ 17,631	\$ 7,814	\$ 737	\$ -	\$ 1,444	\$ 298,550
Receipts:								
Taxes	19,511	25,098	58,203	-	-	13,883	-	116,695
Intergovernmental receipts	1,876	2,102	3,170	-	-	1,163	-	8,311
Other receipts	3,182	-	2	-	-	-	3,268	6,452
Total receipts	24,569	27,200	61,375	-	-	15,046	3,268	131,458
Disbursements:								
Personal services	17,306	-	-	-	-	-	-	17,306
Supplies	148	-	4,353	-	-	-	-	4,501
Other services and charges	9,278	19,359	25,658	-	-	-	-	54,295
Debt service - principal and interest	-	-	-	-	-	10,000	-	10,000
Capital outlay	-	-	2,635	-	-	-	-	2,635
Other disbursements	-	-	-	-	-	-	3,325	3,325
Total disbursements	26,732	19,359	32,646	-	-	10,000	3,325	92,062
Excess (deficiency) of receipts over disbursements	(2,163)	7,841	28,729	-	-	5,046	(57)	39,396
Cash and investments - ending	\$ 211,773	\$ 64,829	\$ 46,360	\$ 7,814	\$ 737	\$ 5,046	\$ 1,387	\$ 337,946

(This page intentionally left blank.)

CARR TOWNSHIP, JACKSON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2017

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Notes and loans payable	Purchase Fire Truck	<u>\$ 2,988</u>	<u>\$ 3,131</u>

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/>.