

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

FINANCIAL STATEMENTS AUDIT REPORT

OF

OHIO TOWNSHIP

BARTHOLOMEW COUNTY, INDIANA

January 1, 2016 to December 31, 2019



FILED
03/15/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	JoAnne Flohr Robert Simpson	01-01-16 to 12-31-18 01-01-19 to 12-31-21
Chair of the Township Board	Kirk D. Brownfield Craig Vancuren	01-01-16 to 12-31-18 01-01-19 to 12-31-21



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Ohio Township (Township), which comprise the financial position and results of operations for the period of January 1, 2016 to December 31, 2019, 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 the 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 these financial statements 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 accounting records to support the disbursement amount reported for three out of four years of the audit period. 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, 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 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

February 22, 2021

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, 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	\$ 55,009	\$ 8,717	\$ 15,610	\$ 48,116	\$ 16,913	\$ 31,173	\$ 33,856
Township Assistance	5,580	14,205	9,170	10,615	9,668	7,408	12,875
Fire Fighting	(11,912)	22,476	18,528	(7,964)	27,437	15,000	4,473
Rainy Day	-	3,382	-	3,382	-	-	3,382
Cumulative Fire	37,491	15,298	-	52,789	15,283	2,830	65,242
Fire Debt	41,727	42,926	25,990	58,663	41,326	25,995	73,994
Levy Excess	3,773	-	-	3,773	-	-	3,773
Building Loan	-	-	-	-	146,116	-	146,116
Totals	\$ 131,668	\$ 107,004	\$ 69,298	\$ 169,374	\$ 256,743	\$ 82,406	\$ 343,711

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

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2018 and 2019

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18	Receipts	Disbursements	Cash and Investments 12-31-19
Township Fund	\$ 33,856	\$ 9,629	\$ 28,265	\$ 15,220	\$ 11,679	\$ 19,588	\$ 7,311
Township Assistance	12,875	9,476	21,613	738	14,282	5,169	9,851
Fire Fighting	4,473	33,471	19,762	18,182	27,359	17,000	28,541
Rainy Day	3,382	-	-	3,382	-	-	3,382
Levy Excess	3,773	2,453	-	6,226	-	-	6,226
Cumulative Fire	65,242	16,283	51,712	29,813	15,230	6,437	38,606
Building Loan	146,116	-	145,701	415	-	-	415
Fire Debt	73,994	81,334	32,545	122,783	40,549	62,784	100,548
Totals	<u>\$ 343,711</u>	<u>\$ 152,646</u>	<u>\$ 299,598</u>	<u>\$ 196,759</u>	<u>\$ 109,099</u>	<u>\$ 110,978</u>	<u>\$ 194,880</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), 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.

OHIO TOWNSHIP, BARTHOLOMEW 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 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 December 31 of the year preceding the budget year or January 15 of the budget year if the Township is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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. Cash Balance Deficits

The financial statements contain some funds with deficits in cash. This is a result of a large negative fund balance being carried over from the prior period.

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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.

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

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Fire Debt	Levy Excess	Building Loan	Totals
Cash and investments - beginning	\$ 55,009	\$ 5,580	\$ (11,912)	\$ -	\$ 37,491	\$ 41,727	\$ 3,773	\$ -	\$ 131,668
Receipts:									
Taxes	3,121	14,200	12,015	3,382	15,292	42,911	-	-	90,921
Intergovernmental receipts	4,068	5	10,461	-	6	15	-	-	14,555
Other receipts	1,528	-	-	-	-	-	-	-	1,528
Total receipts	8,717	14,205	22,476	3,382	15,298	42,926	-	-	107,004
Disbursements:									
Personal services	7,465	-	-	-	-	-	-	-	7,465
Supplies	165	-	-	-	-	-	-	-	165
Other services and charges	6,878	9,170	17,000	-	-	-	-	-	33,048
Debt service - principal and interest	-	-	-	-	-	25,990	-	-	25,990
Other disbursements	1,102	-	1,528	-	-	-	-	-	2,630
Total disbursements	15,610	9,170	18,528	-	-	25,990	-	-	69,298
Excess (deficiency) of receipts over disbursements	(6,893)	5,035	3,948	3,382	15,298	16,936	-	-	37,706
Cash and investments - ending	\$ 48,116	\$ 10,615	\$ (7,964)	\$ 3,382	\$ 52,789	\$ 58,663	\$ 3,773	\$ -	\$ 169,374

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

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Fire Debt	Levy Excess	Building Loan	Totals
Cash and investments - beginning	\$ 48,116	\$ 10,615	\$ (7,964)	\$ 3,382	\$ 52,789	\$ 58,663	\$ 3,773	\$ -	\$ 169,374
Receipts:									
Taxes	5,745	8,984	12,027	-	14,201	38,401	-	-	79,358
Intergovernmental receipts	11,156	684	916	-	1,082	2,925	-	-	16,763
Other receipts	12	-	14,494	-	-	-	-	146,116	160,622
Total receipts	16,913	9,668	27,437	-	15,283	41,326	-	146,116	256,743
Disbursements:									
Personal services	7,465	-	-	-	-	-	-	-	7,465
Supplies	139	-	-	-	2,830	-	-	-	2,969
Other services and charges	10,370	7,408	15,000	-	-	-	-	-	32,778
Debt service - principal and interest	-	-	-	-	-	25,935	-	-	25,935
Other disbursements	13,199	-	-	-	-	60	-	-	13,259
Total disbursements	31,173	7,408	15,000	-	2,830	25,995	-	-	82,406
Excess (deficiency) of receipts over disbursements	(14,260)	2,260	12,437	-	12,453	15,331	-	146,116	174,337
Cash and investments - ending	\$ 33,856	\$ 12,875	\$ 4,473	\$ 3,382	\$ 65,242	\$ 73,994	\$ 3,773	\$ 146,116	\$ 343,711

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2018

	Township Fund	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Building Loan	Fire Debt	Totals
Cash and investments - beginning	\$ 33,856	\$ 12,875	\$ 4,473	\$ 3,382	\$ 3,773	\$ 65,242	\$ 146,116	\$ 73,994	\$ 343,711
Receipts:									
Taxes	9,604	9,474	33,466	-	-	15,003	-	81,318	148,865
Intergovernmental receipts	2	2	5	-	-	5	-	16	30
Other receipts	23	-	-	-	2,453	1,275	-	-	3,751
Total receipts	<u>9,629</u>	<u>9,476</u>	<u>33,471</u>	<u>-</u>	<u>2,453</u>	<u>16,283</u>	<u>-</u>	<u>81,334</u>	<u>152,646</u>
Disbursements:									
Personal services	7,388	-	-	-	-	-	-	-	7,388
Supplies	483	-	2,400	-	-	-	-	-	2,883
Other services and charges	19,080	21,344	17,000	-	-	35,227	-	24,203	116,854
Capital outlay	-	-	-	-	-	16,059	145,701	7,189	168,949
Other disbursements	1,314	269	362	-	-	426	-	1,153	3,524
Total disbursements	<u>28,265</u>	<u>21,613</u>	<u>19,762</u>	<u>-</u>	<u>-</u>	<u>51,712</u>	<u>145,701</u>	<u>32,545</u>	<u>299,598</u>
Excess (deficiency) of receipts over disbursements	<u>(18,636)</u>	<u>(12,137)</u>	<u>13,709</u>	<u>-</u>	<u>2,453</u>	<u>(35,429)</u>	<u>(145,701)</u>	<u>48,789</u>	<u>(146,952)</u>
Cash and investments - ending	\$ 15,220	\$ 738	\$ 18,182	\$ 3,382	\$ 6,226	\$ 29,813	\$ 415	\$ 122,783	\$ 196,759

OHIO TOWNSHIP, BARTHOLOMEW COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2019

	Township Fund	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Building Loan	Fire Debt	Totals
Cash and investments - beginning	\$ 15,220	\$ 738	\$ 18,182	\$ 3,382	\$ 6,226	\$ 29,813	\$ 415	\$ 122,783	\$ 196,759
Receipts:									
Taxes	11,534	13,774	26,897	-	-	14,686	-	39,106	105,997
Intergovernmental receipts	129	508	462	-	-	544	-	1,443	3,086
Other receipts	16	-	-	-	-	-	-	-	16
Total receipts	<u>11,679</u>	<u>14,282</u>	<u>27,359</u>	<u>-</u>	<u>-</u>	<u>15,230</u>	<u>-</u>	<u>40,549</u>	<u>109,099</u>
Disbursements:									
Personal services	10,159	-	-	-	-	-	-	-	10,159
Supplies	1,273	-	-	-	-	6,437	-	-	7,710
Other services and charges	6,626	5,169	17,000	-	-	-	-	62,784	91,579
Other disbursements	1,530	-	-	-	-	-	-	-	1,530
Total disbursements	<u>19,588</u>	<u>5,169</u>	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>6,437</u>	<u>-</u>	<u>62,784</u>	<u>110,978</u>
Excess (deficiency) of receipts over disbursements	<u>(7,909)</u>	<u>9,113</u>	<u>10,359</u>	<u>-</u>	<u>-</u>	<u>8,793</u>	<u>-</u>	<u>(22,235)</u>	<u>(1,879)</u>
Cash and investments - ending	<u>\$ 7,311</u>	<u>\$ 9,851</u>	<u>\$ 28,541</u>	<u>\$ 3,382</u>	<u>\$ 6,226</u>	<u>\$ 38,606</u>	<u>\$ 415</u>	<u>\$ 100,548</u>	<u>\$ 194,880</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/>.