

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

EXAMINATION REPORT
OF
CENTER TOWNSHIP
UNION COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/15/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information.....	5
Examination Result and Comment: Payroll Deductions.....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Matt A. Reuss

01-01-03 to 12-31-06

Chairman of the
Township Board

Merle Gause
Gary Finch

01-01-03 to 12-31-04
01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CENTER TOWNSHIP, UNION COUNTY, INDIANA

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 21, 2006

CENTER TOWNSHIP, UNION COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 33,793	\$ 14,110	\$ 9,898	\$ 38,005
Dog	43	144	-	187
Township Assistance	18,105	-	733	17,372
Firefighting	11,543	11,435	17,835	5,143
	<u>63,484</u>	<u>25,689</u>	<u>28,466</u>	<u>60,707</u>
Totals	<u>\$ 63,484</u>	<u>\$ 25,689</u>	<u>\$ 28,466</u>	<u>\$ 60,707</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 38,005	\$ 9,013	\$ 9,591	\$ 37,427
Dog	187	75	-	262
Township Assistance	17,372	-	889	16,483
Firefighting	5,143	10,596	12,367	3,372
Rainy Day	-	579	-	579
	<u>60,707</u>	<u>20,263</u>	<u>22,847</u>	<u>58,123</u>
Totals	<u>\$ 60,707</u>	<u>\$ 20,263</u>	<u>\$ 22,847</u>	<u>\$ 58,123</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 37,427	\$ 5,163	\$ 9,854	\$ 32,736
Dog	262	92	-	354
Township Assistance	16,483	-	1,073	15,410
Firefighting	3,372	12,513	15,857	28
Rainy Day	579	-	-	579
	<u>58,123</u>	<u>17,768</u>	<u>26,784</u>	<u>49,107</u>
Totals	<u>\$ 58,123</u>	<u>\$ 17,768</u>	<u>\$ 26,784</u>	<u>\$ 49,107</u>

The accompanying notes are an integral part of the schedules.

CENTER TOWNSHIP, UNION COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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 6. Subsequent Event

On March 31, 2006, the Township entered into a loan agreement with Center Township, Brownsville Township, Liberty Township, Harmony Township and the Town of Liberty for \$100,000 for the purchase of a 2006 Freightliner fire truck.

CENTER TOWNSHIP, UNION COUNTY
EXAMINATION RESULT AND COMMENT

PAYROLL DEDUCTIONS

Payments to members of the Township Board in 2003, 2004, and 2005 were made without payroll deductions for taxes. However, the Board Member's share and the Township's share of Social Security and Medicare were remitted to the IRS. Therefore, each of the Township Board Members was overpaid \$9.94 per year for 2003, 2004, and 2005.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CENTER TOWNSHIP, UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2006, with Matt A. Reuss. The official concurred with our finding.