

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

EXAMINATION REPORT

OF

CENTER TOWNSHIP

VANDERBURGH COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
02/28/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James L. Ritter	01-01-03 to 12-31-10
Chairman of the Township Board	Robert S. Foerster Jack Kirwer	01-01-04 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2004 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, 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

February 5, 2007

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Township	\$ 125,264	\$ 82,592	\$ 134,483	\$ 73,373
Dog	1,908	24	1,911	21
Township Assistance	55,787	193,247	215,851	33,183
Firefighting	105,250	194,114	270,000	29,364
Park and Recreation	1,748	1,347	-	3,095
Cumulative Fire	114,493	228,818	220,000	123,311
Fiduciary Fund:				
Payroll Withholdings	2,820	34,480	34,195	3,105
Totals	<u>\$ 407,270</u>	<u>\$ 734,622</u>	<u>\$ 876,440</u>	<u>\$ 265,452</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 73,373	\$ 93,638	\$ 144,526	\$ 22,485
Dog	21	3,006	1,483	1,544
Township Assistance	33,183	178,564	154,526	57,221
Firefighting	29,364	278,268	270,000	37,632
Park and Recreation	3,095	-	-	3,095
Cumulative Fire	123,311	241,944	220,000	145,255
Fiduciary Fund:				
Payroll Withholdings	3,105	32,732	34,163	1,674
Totals	<u>\$ 265,452</u>	<u>\$ 828,152</u>	<u>\$ 824,698</u>	<u>\$ 268,906</u>

The accompanying notes are an integral part of the schedules.

CENTER TOWNSHIP, VANDERBURGH 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, culture and recreation, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

CENTER TOWNSHIP, VANDERBURGH COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Township has entered into a loan for a fire truck. The outstanding principal at December 31, 2005, was \$69,063.

CENTER TOWNSHIP, VANDERBURGH COUNTY  
EXAMINATION RESULT AND COMMENTS

TOWNSHIP ASSISTANCE THEFT AND FORGERY

Township Assistance Chief Investigator, Charlene M. Appman, agreed to a plea agreement on March 22, 2006, admitting to six counts of forgery, all Class C felonies, and one count of theft, a Class D felony, involving the theft of \$6,787.01 of township assistance during the years 2001 through 2004. The court bond was ordered held until such time as a determination is made regarding restitution.

The theft of township assistance occurred by using recipient names, for as many of 58 different recipients. New applications were completed for current or former recipients with false addresses, adding children that did not exist, adding other names of dependents, and maximum amounts were being paid using the names of people who were not eligible. Some of the names used were for former recipients no longer living in Center Township, one recipient referenced was deceased and one recipient named was incarcerated in Rutherford County, Tennessee. Letterhead from the Indiana Division of Family and Children was also used and forged in acquiring assistance for the recipients named.

Charlene M. Appman, former Center Township Assistance Chief Investigator, admitted to a Detective of the Vanderburgh County Sheriff's Department that she forged and cashed vouchers from the Trustee's Office. She used food and non-food vouchers and would then go to Buehler's First Avenue store to obtain both grocery and non-grocery items.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CENTER TOWNSHIP, VANDERBURGH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2007, with James L. Ritter, Center Township Trustee. The official concurred with our finding.