

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

EXAMINATION REPORT

OF

CENTER TOWNSHIP

DELAWARE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED
10/04/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments	6
Annual Report.....	6
Compensation and Benefits.....	6
Appropriations.....	6
Disbursement Documentation	6
Contracts	7
Computer Disposal	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard L. Shirey Marilyn Kay Walker	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Judith Rust Robert Thompson	01-01-06 to 12-31-06 01-01-07 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Center Township (Township), for the period of January 1, 2006 to December 31, 2006. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above presents fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 31, 2007

CENTER TOWNSHIP, DELAWARE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 66,204	\$ 357,122	\$ 270,869	\$ 152,457
Dog	810	1,073	540	1,343
Township Assistance	707,650	1,229,963	1,451,415	486,198
Firefighting	84,644	716,329	684,448	116,525
Park and Recreation	159,901	296,597	280,780	175,718
Collins Cemetery	2,440	-	-	2,440
Levy Excess	102,711	-	90,550	12,161
Cumulative Fire	54,194	52,800	76,202	30,792
Fire Fund Expense Reimbursement	4,350	2,775	4,840	2,285
Federal Grants	4,511	7,061	6,419	5,153
Internal Training	-	7,393	6,023	1,370
Explorer Post 1213	-	1,180	-	1,180
Fiduciary Funds:				
Recreation Deposits	950	4,850	5,025	775
Payroll Withholdings	6,687	650,243	650,266	6,664
Totals	<u>\$ 1,195,052</u>	<u>\$ 3,327,386</u>	<u>\$ 3,527,377</u>	<u>\$ 995,061</u>

The accompanying notes are an integral part of the schedules.

CENTER TOWNSHIP, DELAWARE COUNTY
NOTES TO SCHEDULES

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 (Indiana Code 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 (Indiana Code 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, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Township's annual report did not agree with the Township's ledger.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

Three employees were paid salaries that were not included in the salary resolution. All firefighters were underpaid .05 cents an hour; one individual was over paid \$2,196, another individual was overpaid \$311 and a third individual was overpaid .91 cents per hour. These employees will be requested to repay the overpayments by Township Officials.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

APPROPRIATIONS

The records presented for examination indicated the following disbursements in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Disbursed</u>
Cumulative Fire	2006	<u>\$ 1,202</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the disbursements for a year do not exceed its budget for that year as finally determined under this article."

DISBURSEMENT DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CENTER TOWNSHIP, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONTRACTS

Records presented for examination indicate payments were made to an individual for lawn mowing in 2006. No contract was presented for examination.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPUTER DISPOSAL

The former Trustee, Richard L. Shirey, purchased a laptop computer in November 2006 originally valued at \$1,322 from the Township for \$650. There was no mention of authorization from the Township Board for the purchase. Additionally, the former Trustee did not file a conflict of interest on the purchase.

Indiana Code 5-14-1.5-1 states in part:

"Sec. 1. In enacting this chapter, the general assembly finds and declares that this state and its political subdivisions exist only to aid in the conduct of the business of the people of this state. It is the intent of this chapter that the official action of public agencies be conducted and taken openly, unless otherwise expressly provided by statute, in order that the people may be fully informed."

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant: (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. . . ."

CENTER TOWNSHIP, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2007, with Marilyn Kay Walker, Trustee; and Kathy Slattery, Clerk. The officials concurred with our findings.