

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

EXAMINATION REPORT
OF
CENTER TOWNSHIP
MARSHALL COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/26/2010

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OFFICIALS

Office

Official

Term

Trustee

Doug Kucera

01-01-07 to 12-31-10

Chairman of the
Township Board

James Baldwin

01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 7, 2010

CENTER TOWNSHIP, MARSHALL 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 239,760	\$ 152,517	\$ 57,585	\$ 334,692
Township Assistance	91,296	92,213	38,421	145,088
Firefighting	101,981	345,055	-	447,036
Cumulative Fire	584,147	-	79,673	504,474
Dog	325	-	325	-
Levy Excess	2,432	-	2,432	-
Emergency Medical Services	315,980	-	315,980	-
Rainy Day	-	56,157	-	56,157
Fiduciary Fund:				
Jacoby Trust	1,031	-	1,031	-
Totals	<u>\$ 1,336,952</u>	<u>\$ 645,942</u>	<u>\$ 495,447</u>	<u>\$ 1,487,447</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 334,692	\$ 139,805	\$ 66,844	\$ 407,653
Township Assistance	145,088	91,481	111,446	125,123
Firefighting	447,036	196,689	311,231	332,494
Cumulative Fire	504,474	58,527	15,283	547,718
Rainy Day	56,157	12,965	-	69,122
Totals	<u>\$ 1,487,447</u>	<u>\$ 499,467</u>	<u>\$ 504,804</u>	<u>\$ 1,482,110</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 407,653	\$ 289,513	\$ 67,959	\$ 629,207
Township Assistance	125,123	143,204	106,493	161,834
Firefighting	332,494	136,371	255,061	213,804
Cumulative Fire	547,718	73,502	74,881	546,339
Rainy Day	69,122	-	-	69,122
Totals	<u>\$ 1,482,110</u>	<u>\$ 642,590</u>	<u>\$ 504,394</u>	<u>\$ 1,620,306</u>

The accompanying notes are an integral part of the financial information.

CENTER TOWNSHIP, MARSHALL 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. 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, MARSHALL 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.

CENTER TOWNSHIP, MARSHALL COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 5,000
Transportation equipment	<u> 412,000</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 417,000</u></u>

CENTER TOWNSHIP, MARSHALL COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect as of December 31, 2007, 2008, and 2009.

<u>Date</u>	<u>Fund Balance</u>	<u>Bank Balance</u>	<u>Variance</u>
December 31, 2007	\$ 1,487,697	\$ 1,487,818	\$ 121
December 31, 2008	1,481,169	1,482,110	941
December 31, 2009	1,620,205	1,620,306	101

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Firefighting	2008	\$ 10,923
Firefighting	2009	2,000

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

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

ANNUAL REPORTS

Financial reports presented for audit were incomplete and not reflective of the activity of all funds in 2007, 2008, and 2009. The reports presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. For example, in each year, beginning balances on January 1 of some funds did not agree to the prior year's ending balance on December 31.

Another example, in the 2008 Annual Report, the Receipts section and Disbursements section did not properly identify all forms of receipt and disbursement transactions.

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)

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)

CENTER TOWNSHIP, MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 7, 2010, with Doug Kucera, Trustee. The official concurred with our findings.