

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

EXAMINATION REPORT
OF
CENTER TOWNSHIP
MARION COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
05/12/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Carl Drummer William E. Douglas	01-01-07 to 02-13-09 02-14-09 to 12-31-10
Chairman of the Township Board	Phyllis A. Carr Howard Smith Linda Journey Phyllis A. Carr	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2007 to December 31, 2008. 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 and 2008, 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 12, 2010

CENTER TOWNSHIP, MARION 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 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 4,035,036	\$ 2,775,215	\$ 1,223,450	\$ 5,586,801
Dog	410	-	116	294
Township Assistance	6,473,291	4,322,857	6,399,967	4,396,181
Small Claims Court	1,553,961	3,367,842	4,416,716	505,087
Fun Fest	(1,126)	20,996	16,241	3,629
Community Outreach	115,831	1,573,757	1,567,273	122,315
Fiduciary Fund:				
Payroll Withholdings	(3,290)	2,874,786	2,862,801	8,695
Totals	<u>\$ 12,174,113</u>	<u>\$ 14,935,453</u>	<u>\$ 16,486,564</u>	<u>\$ 10,623,002</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 5,586,801	\$ 1,096,197	\$ 1,397,089	\$ 5,285,909
Dog	294	-	294	-
Township Assistance	4,396,181	4,571,819	6,353,737	2,614,263
Small Claims Court	505,087	3,197,676	2,447,515	1,255,248
Fun Fest	3,629	18,500	15,918	6,211
Community Outreach	122,315	1,492,065	1,483,880	130,500
Fiduciary Fund:				
Payroll Withholdings	8,695	2,832,529	2,823,360	17,864
Totals	<u>\$ 10,623,002</u>	<u>\$ 13,208,786</u>	<u>\$ 14,521,793</u>	<u>\$ 9,309,995</u>

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

CENTER TOWNSHIP, MARION 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: 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 received 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. 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).

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.

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

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. 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, MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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:	
Land	\$ 1,883,004
Buildings	4,531,353
Improvements other than buildings	4,179,236
Machinery and equipment	1,028,741
Construction in progress	<u>29,639</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 11,651,973</u>

CENTER TOWNSHIP, MARION COUNTY
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT NOT FILED

The Township did not file a Certified Report of Compensation of Names, Addresses, Duties and Public Employees (Form 100-R) with the State Board of Accounts for 2008.

IC 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer for the year 2008.

IC 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

OFFICIAL BOND

The official bond for the Trustee was not filed in the Office of the County Recorder.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

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

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) The 2008 beginning balance reported on the Annual Report for the small claims court did not agree with the 2007 ending balance.
- (2) The Township did not have an accurate Small Claims Court Reconciliation for December when the Annual Report was filed in January 2009.

A similar comment appeared in prior Report B30855.

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."

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)

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)

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, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with William E. Douglas, Trustee; and Al Mizen, Township CFO. The official response has been made a part of this report and may be found on pages 11.

CENTER TOWNSHIP of MARION COUNTY

WILLIAM E. DOUGLAS, *Trustee*

Telephone: 317.633.3610

863 Massachusetts Avenue

Fax: 317.633.7304

Indianapolis, IN 46204-1696

To All Users of This Report:

www.centertownship.org

Center Township of Marion County thanks the State Board of Accounts for their professional work in presenting this audited financial report and the findings included. We appreciate the expertise and thoroughness that they have employed during the audit engagement to verify the accuracy, accountability, and reliability of the information presented.

The elected officials and the management team would like to address the following issues related to this audited financial report.

1. We recognize the dedicated efforts and accomplishments of the Township team members in their performance of their responsibilities to allow this audit report to be issued with no improprieties or internal control exceptions identified.
2. The audit results and comments included in this report have been reviewed by the Trustee and the management team and have been addressed as indicated below:
 - a. Certified Report - The Form 100-R report was prepared and available for inspection however it appears that due to an oversight the report was not filed as required. Officials regret this oversight and will implement procedures to verify the filing of the Form 100-R as required for future filing periods.
 - b. List of Employees - Based upon clarification of the filing requirement from the State Board of Accounts the Township has implemented a procedure that will produce and deliver the required certified schedule of employees to the County Treasurer as required for future periods.
 - c. Official Bonds - The Township in the past has relied on a representative of the insurance agency issuing the officials bonds to record official bonds. The task of recording the bond appears to have been overlooked during a change in the agency responsible for the issuance of the bonds. Township personnel have take action to verify that upon delivery, official bonds are recorded as required. Action should reasonably assure compliance with the recording requirement.
 - d. Condition of Records - Township bank account statements are reconciled on a monthly basis. The bank statements of the Small Claims Court are not delivered to the Township with sufficient time to reconcile the balances prior to the statutorily required date to present the annual financial report. The official records of the Small Claims Court are adjusted to reflect the reconciled balances upon completion of the reconciliations. The Township will continue to maintain appropriate internal controls over the financial records of the Township to assure all activity is properly recorded.

Management of Center Township is proud of the sound business practices it has implemented. Center Township continues to seek ways to provide services more efficiently, to expand the services and programs offered to taxpayers, to maintain and strengthen accounting systems, and to continue responding to the changing needs and desires of the taxpayers of Center Township.

Management has made operating decisions that have resulted in the efficient operations, compliance with statutes and guidelines, and accountability, while minimizing its impact on the overall property taxes levy of its constituents. The Township will continue to operate in a professional businesslike manner in order to assure taxpayers' investments in Township operations continue to efficiently provide the greatest return on that investment possible.

The Township respectfully submits this response for inclusion in this audited financial report. Comments and questions from taxpayers and users of this report are always welcome.

Sincerely
William E. Douglas
Trustee