

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

CENTER TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
04/11/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Shelia Workman	01-01-07 to 12-31-12
	Steve Durham	01-01-13 to 12-31-14
Chairman of the Township Board	Roscoe Raines	01-01-10 to 12-31-10
	Bernadene Holtsclaw	01-01-11 to 12-31-11
	Roscoe Raines	01-01-12 to 12-31-12
	Bernadene Holtsclaw	01-01-13 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Center Township (Township), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

February 14, 2013

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

CENTER TOWNSHIP, GREENE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 151,486	\$ 6,407	\$ 24,557	\$ 133,336
Township Assistance	45,499	9,441	8,772	46,168
Fire Fighting	1,430	78,466	82,439	(2,543)
Cumulative Fire	5,257	9,156	5,700	8,713
Fire Debt	2,451	13,005	14,669	787
Levy Excess	-	281	-	281
Rainy Day	9,500	3,397	2,496	10,401
Fire Building Fund	-	26,070	29,991	(3,921)
Fire Grant Fund	-	5,000	5,000	-
Payroll Withholding	1,786	8,085	9,181	690
Totals	<u>\$ 217,409</u>	<u>\$ 159,308</u>	<u>\$ 182,805</u>	<u>\$ 193,912</u>

The notes to the financial statements are an integral part of this statement.

CENTER TOWNSHIP, GREENE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 133,336	\$ 251	\$ 24,731	\$ 108,856
Township Assistance	46,168	6,137	9,400	42,905
Fire Fighting	(2,543)	75,459	70,299	2,617
Rainy Day	10,401	-	8,125	2,276
Levy Excess	281	-	281	-
Cumulative Fire	8,713	10,482	2,669	16,526
Fire Building Fund	(3,921)	36,610	29,991	2,698
Fire Debt	787	15,625	14,669	1,743
Payroll Withholdings	690	6,581	6,788	483
Totals	<u>\$ 193,912</u>	<u>\$ 151,145</u>	<u>\$ 166,953</u>	<u>\$ 178,104</u>

The notes to the financial statements are an integral part of this statement.

CENTER TOWNSHIP, GREENE COUNTY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

CENTER TOWNSHIP, GREENE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

CENTER TOWNSHIP, GREENE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management**

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

CENTER TOWNSHIP, GREENE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Fire Debt	Levy Excess	Rainy Day	Fire Building Fund	Fire Grant Fund	Payroll Withholding	Totals
Cash and investments - beginning	\$ 151,486	\$ 45,499	\$ 1,430	\$ 5,257	\$ 2,451	\$ -	\$ 9,500	\$ -	\$ -	\$ 1,786	\$ 217,409
Receipts:											
Taxes	5,259	9,016	72,821	9,156	13,005	-	-	26,070	-	-	135,327
Intergovernmental	-	-	3,989	-	-	-	3,397	-	5,000	-	12,386
Other receipts	1,148	425	1,656	-	-	281	-	-	-	8,085	11,595
Total receipts	6,407	9,441	78,466	9,156	13,005	281	3,397	26,070	5,000	8,085	159,308
Disbursements:											
Personal services	16,123	2,175	19,984	-	-	-	-	-	-	-	38,282
Supplies	698	85	3,931	-	-	-	-	-	-	-	4,714
Other services and charges	7,736	178	58,524	-	14,669	-	2,496	29,991	5,000	-	118,594
Capital outlay	-	-	-	5,700	-	-	-	-	-	-	5,700
Other disbursements	-	6,334	-	-	-	-	-	-	-	9,181	15,515
Total disbursements	24,557	8,772	82,439	5,700	14,669	-	2,496	29,991	5,000	9,181	182,805
Excess (deficiency) of receipts over disbursements	(18,150)	669	(3,973)	3,456	(1,664)	281	901	(3,921)	-	(1,096)	(23,497)
Cash and investments - ending	\$ 133,336	\$ 46,168	\$ (2,543)	\$ 8,713	\$ 787	\$ 281	\$ 10,401	\$ (3,921)	\$ -	\$ 690	\$ 193,912

CENTER TOWNSHIP, GREENE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Township	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Fire Building Fund	Fire Debt	Payroll Withholding	Totals
Cash and investments - beginning	\$ 133,336	\$ 46,168	\$ (2,543)	\$ 10,401	\$ 281	\$ 8,713	\$ (3,921)	\$ 787	\$ 690	\$ 193,912
Receipts:										
Taxes	-	5,070	36,515	-	-	9,380	32,763	13,982	-	97,710
Intergovernmental	-	786	38,780	-	-	1,102	3,847	1,643	-	46,158
Other receipts	251	281	164	-	-	-	-	-	6,581	7,277
Total receipts	251	6,137	75,459	-	-	10,482	36,610	15,625	6,581	151,145
Disbursements:										
Personal services	14,517	13	19,748	-	-	-	-	-	-	34,278
Supplies	1,361	-	3,000	-	-	-	-	-	-	4,361
Other services and charges	8,853	9,387	47,551	8,125	-	-	-	-	-	73,916
Debt service - principal and interest	-	-	-	-	-	-	29,991	14,669	-	44,660
Capital outlay	-	-	-	-	-	2,669	-	-	-	2,669
Other disbursements	-	-	-	-	281	-	-	-	6,788	7,069
Total disbursements	24,731	9,400	70,299	8,125	281	2,669	29,991	14,669	6,788	166,953
Excess (deficiency) of receipts over disbursements	(24,480)	(3,263)	5,160	(8,125)	(281)	7,813	6,619	956	(207)	(15,808)
Cash and investments - ending	\$ 108,856	\$ 42,905	\$ 2,617	\$ 2,276	\$ -	\$ 16,526	\$ 2,698	\$ 1,743	\$ 483	\$ 178,104

CENTER TOWNSHIP, GREENE COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Fire Building Debt	\$ 113,215	\$ 29,991
Notes and loans payable	Fire Equipment Debt	<u>49,190</u>	<u>14,669</u>
Total governmental activities		<u>162,405</u>	<u>44,660</u>
Totals		<u>\$ 162,405</u>	<u>\$ 44,660</u>

CENTER TOWNSHIP, GREENE COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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>Ending Balance</u>
Governmental activities:	
Land	\$ 13,100
Buildings	335,900
Machinery, equipment and vehicles	<u>704,341</u>
Total capital assets	<u>\$ 1,053,341</u>

CENTER TOWNSHIP, GREENE COUNTY  
EXAMINATION RESULTS AND COMMENTS

**OFFICIAL BOND**

An official bond was filed in the County Recorder's office for, Shelia Workman, former Trustee, however, the bond was in the amount of \$15,000.

Indiana Code 5-4-1-18 states in part:

"(a) . . . the following . . . township officers . . . shall file an individual surety bond:

(4) Township trustees. . . .

(c) . . . the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

(1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

(2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

**OVERDRAWN FUND BALANCES**

The fund balances of the Fire Fighting Fund and Fire Building Fund were overdrawn at December 31, 2010.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

***TOWNSHIP ASSISTANCE***

The Applications for Township Assistance (Form TA-1) did not contain the Trustee's signature nor was there any evidence of investigations. Additionally, the Notice of Township Assistance Action (Form TA-1A) was not used.

The township trustee shall carefully investigate the circumstances of the applicant and each member of the applicant's household to ascertain their legal residence, their physical condition relating to sickness or health, their present and previous occupation, their names and ages, the ability and capacity for labor of all members of the household, and the cause of the applicant's or household member's condition if the applicant's household member is found to be in distress and the cause can be ascertained, whether an applicant or member of the applicant's household is entitled to income in the immediate future from any source including past or present employment, pending claims that may result in monetary award, or pending determination for assistance from any other federal or state governmental entity. (Form TA-1) The trustee shall ascertain, as far as possible, whether such persons have relatives able and willing to assist them. Indiana Code 12-20-6-9 (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

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, GREENE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2013, with Steve Durham, Trustee. The official concurred with our findings.