

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, 2012 to December 31, 2015



FILED
04/25/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Shiela Workman	01-01-12 to 12-31-12
	Stephen Durham	01-01-13 to 12-31-18
Chairman of the Township Board	Roscoe Raines	01-01-12 to 12-31-12
	Beradene Holtsclaw	01-01-13 to 12-31-13
	Roscoe Raines	01-01-14 to 12-31-14
	Gary Jackson	01-01-15 to 12-31-15
	Beradene Holtsclaw	01-01-16 to 12-31-16
	Sharon McKinley	01-01-17 to 12-31-17



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, 2012 to December 31, 2015. The Township's management is responsible for the financial statements. 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 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 to the financial statements, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present, 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, 2012 to December 31, 2015.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015, based on the prescribed 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 16, 2017

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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 Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Township	\$ 108,856	\$ 334	\$ 23,967	\$ 85,223	\$ 116	\$ 23,227	\$ 62,112
Township Assistance	42,905	3,872	7,653	39,124	6,487	5,123	40,488
Fire Fighting	2,617	62,999	82,933	(17,317)	129,280	85,343	26,620
Rainy Day	2,276	2,945	-	5,221	-	-	5,221
Cumulative Fire	16,526	6,200	4,195	18,531	11,014	14,508	15,037
Payroll Withholdings	483	6,554	6,517	520	7,119	7,024	615
Fire Building Fund	2,698	13,531	29,991	(13,762)	33,245	29,991	(10,508)
Fire Debt	1,743	9,007	14,669	(3,919)	15,410	14,669	(3,178)
Totals	<u>\$ 178,104</u>	<u>\$ 105,442</u>	<u>\$ 169,925</u>	<u>\$ 113,621</u>	<u>\$ 202,671</u>	<u>\$ 179,885</u>	<u>\$ 136,407</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 Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ 62,112	\$ 21,114	\$ 22,669	\$ 60,557	\$ 59,852	\$ 28,460	\$ 91,949
Township Assistance	40,488	8,992	6,890	42,590	7,129	4,750	44,969
Fire Fighting	26,620	114,091	85,560	55,151	98,426	112,961	40,616
Rainy Day	5,221	-	-	5,221	-	-	5,221
Cumulative Fire	15,037	15,383	15,961	14,459	11,801	15,960	10,300
Payroll Withholdings	615	7,126	6,087	1,654	14,307	12,552	3,409
Emergency Fire Loan	-	25,848	17,538	8,310	17,917	17,538	8,689
Fire Building Fund	(10,508)	50,347	29,991	9,848	20,112	29,992	(32)
Fire Debt	(3,178)	22,479	14,669	4,632	174,335	8,203	170,764
Totals	<u>\$ 136,407</u>	<u>\$ 265,380</u>	<u>\$ 199,365</u>	<u>\$ 202,422</u>	<u>\$ 403,879</u>	<u>\$ 230,416</u>	<u>\$ 375,885</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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. Amounts received from various sources, including, but 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other

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

funds are internally restricted by the Township. The amounts 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.

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, the following: 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.

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

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.

Note 6. Cash Balance Deficits

The financial statements contain some funds with deficits in cash. This is a result of expenditures exceeding revenues.

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OTHER INFORMATION - UNEXAMINED

The Township's Annual Financial Report information 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 Township's Annual Financial Report 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 other 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, 2012

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Withholdings	Fire Building Fund	Fire Debt	Totals
Cash and investments - beginning	\$ 108,856	\$ 42,905	\$ 2,617	\$ 2,276	\$ 16,526	\$ 483	\$ 2,698	\$ 1,743	\$ 178,104
Receipts:									
Taxes	-	3,263	22,542	-	5,487	-	11,975	7,971	51,238
Intergovernmental receipts	-	609	39,434	-	713	-	1,556	1,036	43,348
Other receipts	334	-	1,023	2,945	-	6,554	-	-	10,856
Total receipts	334	3,872	62,999	2,945	6,200	6,554	13,531	9,007	105,442
Disbursements:									
Personal services	14,507	-	19,792	-	-	-	-	-	34,299
Supplies	357	95	4,000	-	-	-	-	-	4,452
Other services and charges	9,103	7,558	56,196	-	-	-	-	-	72,857
Debt service - principal and interest	-	-	-	-	-	-	29,991	14,669	44,660
Capital outlay	-	-	-	-	4,195	-	-	-	4,195
Other disbursements	-	-	2,945	-	-	6,517	-	-	9,462
Total disbursements	23,967	7,653	82,933	-	4,195	6,517	29,991	14,669	169,925
Excess (deficiency) of receipts over disbursements	(23,633)	(3,781)	(19,934)	2,945	2,005	37	(16,460)	(5,662)	(64,483)
Cash and investments - ending	\$ 85,223	\$ 39,124	\$ (17,317)	\$ 5,221	\$ 18,531	\$ 520	\$ (13,762)	\$ (3,919)	\$ 113,621

CENTER TOWNSHIP, GREENE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Withholdings	Fire Building Fund	Fire Debt	Totals
Cash and investments - beginning	\$ 85,223	\$ 39,124	\$ (17,317)	\$ 5,221	\$ 18,531	\$ 520	\$ (13,762)	\$ (3,919)	\$ 113,621
Receipts:									
Taxes	-	5,779	39,835	-	9,961	-	30,160	13,931	99,666
Intergovernmental receipts	-	708	39,407	-	1,053	-	3,085	1,479	45,732
Other receipts	116	-	50,038	-	-	7,119	-	-	57,273
Total receipts	116	6,487	129,280	-	11,014	7,119	33,245	15,410	202,671
Disbursements:									
Personal services	15,167	-	19,859	-	-	-	-	-	35,026
Supplies	673	-	4,000	-	-	-	-	-	4,673
Other services and charges	6,687	5,123	61,484	-	-	-	29,991	14,669	117,954
Capital outlay	700	-	-	-	14,508	-	-	-	15,208
Other disbursements	-	-	-	-	-	7,024	-	-	7,024
Total disbursements	23,227	5,123	85,343	-	14,508	7,024	29,991	14,669	179,885
Excess (deficiency) of receipts over disbursements	(23,111)	1,364	43,937	-	(3,494)	95	3,254	741	22,786
Cash and investments - ending	\$ 62,112	\$ 40,488	\$ 26,620	\$ 5,221	\$ 15,037	\$ 615	\$ (10,508)	\$ (3,178)	\$ 136,407

CENTER TOWNSHIP, GREENE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Withholdings	Emergency Fire Loan	Fire Building Fund	Fire Debt	Totals
Cash and investments - beginning	\$ 62,112	\$ 40,488	\$ 26,620	\$ 5,221	\$ 15,037	\$ 615	\$ -	\$ (10,508)	\$ (3,178)	\$ 136,407
Receipts:										
Taxes	-	8,013	95,553	-	13,986	-	24,048	46,181	20,628	208,409
Intergovernmental receipts	21,032	979	18,170	-	1,397	-	1,800	4,166	1,851	49,395
Other receipts	82	-	368	-	-	7,126	-	-	-	7,576
Total receipts	21,114	8,992	114,091	-	15,383	7,126	25,848	50,347	22,479	265,380
Disbursements:										
Personal services	14,934	-	19,361	-	-	-	-	-	-	34,295
Supplies	-	-	4,100	-	-	-	-	-	-	4,100
Other services and charges	6,552	6,890	62,099	-	-	-	17,538	29,991	14,669	137,739
Capital outlay	1,183	-	-	-	15,961	-	-	-	-	17,144
Other disbursements	-	-	-	-	-	6,087	-	-	-	6,087
Total disbursements	22,669	6,890	85,560	-	15,961	6,087	17,538	29,991	14,669	199,365
Excess (deficiency) of receipts over disbursements	(1,555)	2,102	28,531	-	(578)	1,039	8,310	20,356	7,810	66,015
Cash and investments - ending	\$ 60,557	\$ 42,590	\$ 55,151	\$ 5,221	\$ 14,459	\$ 1,654	\$ 8,310	\$ 9,848	\$ 4,632	\$ 202,422

CENTER TOWNSHIP, GREENE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2015

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Withholdings	Emergency Fire Loan	Fire Building Fund	Fire Debt	Totals
Cash and investments - beginning	\$ 60,557	\$ 42,590	\$ 55,151	\$ 5,221	\$ 14,459	\$ 1,654	\$ 8,310	\$ 9,848	\$ 4,632	\$ 202,422
Receipts:										
Taxes	-	6,241	88,413	-	10,624	-	16,345	18,351	9,138	149,112
Intergovernmental receipts	57,504	888	9,778	-	1,177	-	1,572	1,761	877	73,557
Other receipts	2,348	-	235	-	-	14,307	-	-	164,320	181,210
Total receipts	59,852	7,129	98,426	-	11,801	14,307	17,917	20,112	174,335	403,879
Disbursements:										
Personal services	12,379	-	45,876	-	-	-	-	-	-	58,255
Supplies	682	-	3,700	-	-	-	-	-	-	4,382
Other services and charges	15,399	4,750	63,385	-	-	-	17,538	29,992	8,203	139,267
Capital outlay	-	-	-	-	15,960	-	-	-	-	15,960
Other disbursements	-	-	-	-	-	12,552	-	-	-	12,552
Total disbursements	28,460	4,750	112,961	-	15,960	12,552	17,538	29,992	8,203	230,416
Excess (deficiency) of receipts over disbursements	31,392	2,379	(14,535)	-	(4,159)	1,755	379	(9,880)	166,132	173,463
Cash and investments - ending	\$ 91,949	\$ 44,969	\$ 40,616	\$ 5,221	\$ 10,300	\$ 3,409	\$ 8,689	\$ (32)	\$ 170,764	\$ 375,885

CENTER TOWNSHIP, GREENE COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Fire Equipment Debt	\$ 170,000	\$ 181,951
Notes and loans payable	Emergency Fire Loan	<u>17,157</u>	<u>17,538</u>
Total governmental activities		<u>187,157</u>	<u>199,489</u>
Totals		<u><u>\$ 187,157</u></u>	<u><u>\$ 199,489</u></u>

CENTER TOWNSHIP, GREENE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2015

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.

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

OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.