

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
TOWN OF CENTER POINT  
CLAY COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
7/21/06



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:	
Certified Report of Names .....	6
Condition of Records .....	6-7
Bank Account Reconciliations .....	7
Prescribed Forms .....	7
Customer Deposit Register.....	7
Donations.....	8
Finance Charges .....	8
No Salary Ordinance .....	8
List of Employees Certified to County Treasurer .....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Roger A. Campbell	01-01-04 to 12-31-07
President of the Town Council	Roy A. Smith	01-01-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CENTER POINT, CLAY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Center Point (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Financial records presented for examination were incomplete and not reflective of the activity of the General, Motor Vehicle Highway, or Local Road and Street Funds. The records presented did not provide sufficient information to examine receipts, disbursements, and ending balances, or the accuracy or correctness of the transactions.

Because of the restrictions on our examination as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 20, 2006

TOWN OF CENTER POINT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
<b>Governmental Funds:</b>				
General	\$ 32,209	\$ 31,279	\$ 16,323	\$ 47,165
Motor Vehicle Highway	15,366	9,206	5,182	19,390
Local Road and Street	5,142	2,438	3,085	4,495
Planning Commission	602	-	-	602
Reserve	5,000	-	5,000	-
Cumulative Capital Improvement	6,546	1,090	187	7,449
Rainy Day Fund	-	1,258	-	1,258
<b>Proprietary Funds:</b>				
Water Utility - Operating	27,973	75,857	70,692	33,138
Water Utility - Depreciation	5,325	3,000	-	8,325
Water Utility - Customer Deposit	7,203	300	25	7,478
Wastewater Utility - Operating	63,965	75,044	75,715	63,294
Wastewater Utility - Bond and Interest	12,307	16,000	16,339	11,968
Wastewater Utility - Depreciation	8,900	3,000	-	11,900
<b>Totals</b>	<b>\$ 190,538</b>	<b>\$ 218,472</b>	<b>\$ 192,548</b>	<b>\$ 216,462</b>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 47,165	\$ 19,794	\$ 17,749	\$ 49,210
Motor Vehicle Highway	19,390	8,999	5,522	22,867
Local Road and Street	4,495	2,250	62	6,683
Planning Commission	602	-	-	602
Cumulative Capital Improvement	7,449	903	-	8,352
Rainy Day	1,258	1,841	-	3,099
<b>Proprietary Funds:</b>				
Water Utility - Operating	33,138	72,003	68,320	36,821
Water Utility - Depreciation	8,325	3,000	-	11,325
Water Utility - Customer Deposit	7,478	400	125	7,753
Wastewater Utility - Operating	63,294	43,978	35,734	71,538
Wastewater Utility - Bond and Interest	11,968	15,000	3,486	23,482
Wastewater Utility - Depreciation	11,900	3,000	-	14,900
<b>Totals</b>	<b>\$ 216,462</b>	<b>\$ 171,168</b>	<b>\$ 130,998</b>	<b>\$ 256,632</b>

The accompanying notes are an integral part of the schedules.

TOWN OF CENTER POINT  
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes 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 Town 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 Town 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 Town 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. Long-Term Debt

The Town has entered into a loan. The outstanding principal at December 31, 2005, was \$185,000.

TOWN OF CENTER POINT  
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT OF NAMES – TOWN

The Town did not file Form 100-R, Certified Report of Names, Addresses, Duties and Compensation of Public Employees for 2005.

All cities and towns must file with the State Examiner, State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, Indiana 46204, on or before January 31, Form 100-R, Certified Report of Names, Addresses, Duties and Compensation of Public Employees. This report is required by Indiana Code 5-11-13. A supply of this form must be secured from your public printer. The State Board of Accounts does not supply this form. (This is not to be confused with Form SF 23110 or Form SR9433 that was mailed to each city controller and city and town clerk-treasurer on December 1 and due back in January). If a computer printout can supply all of the required information, it can be submitted in lieu of the Form 100R as long as it contains the certificate section on the last page of the form.

Indiana Code 5-11-13-1 Sec. 1 states: "Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, 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 in their respective offices, departments, boards, commissions, and institutions, 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."

CONDITION OF RECORDS – TOWN, WATER, AND WASTEWATER UTILITY

Financial records presented for audit were incomplete and not reflective of the activity of the Town, Water Utility and Wastewater Utility. The records presented did not provide sufficient information to exam or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions.

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 Cities and Towns, Chapter 7)

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 Cities and Towns, Chapter 7)

The following deficiencies, relating to the recordkeeping were present during our period of audit:

1. Posting of state distribution not made in a timely manner.
2. Customer Deposit disbursements not found in Guarantee Deposit Register.

TOWN OF CENTER POINT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

3. Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.
4. Claims paid more than one time.
5. Record balances were not reconciled to depository balances during the two year period.

Indiana Code 5-13-6-1(e) states in part: "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."

6. There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper amounts, and nonsufficient funds checks incorrectly posted or omitted.

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 Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS – TOWN, WATER, AND WASTEWATER UTILITY

Depository reconciliations of the fund balances to the bank account balances were incorrect.

Indiana Code 5-13-6-1(e) states in part: "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."

PRESCRIBED FORMS - TOWN

The following prescribed or approved form was not always in use, Mileage Claim General Form 101 and Payroll Schedule and Voucher General Form 99.

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 Cities and Towns, Chapter 7)

CUSTOMER DEPOSIT REGISTER – WATER UTILITY

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger. The cash balance is more than the detailed customer deposit register.

At all times, the manual and 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 Cities and Towns, Chapter 7)

TOWN OF CENTER POINT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

DONATIONS – TOWN AND WASTEWATER UTILITY

Donations were made out of the Town General Fund and Wastewater Operating Fund.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FINANCE CHARGES – TOWN AND WATER UTILITY

The Town and Water Utility incurred, and subsequently paid, financial charges for delinquent payment of vendor invoices during 2004 and 2005.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

NO SALARY ORDINANCE – TOWN, WATER, AND WASTEWATER UTILITY

A salary ordinance was not approved for 2004 and 2005.

Indiana statutes require salary ordinances to be enacted annually for all elected and appointed city and town officials and employees. (Cities and Towns Bulletin, March 2003)

We recommended a salary ordinance for officials and employees for the next succeeding year should be enacted by The Town Council annually on or before July 1 of each year and made a part of the minutes of the Town Council. This action is recommended in order for Town officials to have such information available prior to making out the annual budget for the next year's costs of operation. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

LIST OF EMPLOYEES CERTIFIED TO COUNTY TREASURER

The Town did not certify a list of employees to the County Treasurer during 2004 and 2005.

Indiana Code 6-1.1-22-14 Sec. 14.(a) states: "On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications), the disbursing officer of each political subdivision and the township executive shall certify the name and address 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."

TOWN OF CENTER POINT  
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2006, with Roger A. Campbell, Clerk-Treasurer.