

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

EXAMINATION REPORT

OF

CENTER TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

10/26/2007

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OFFICIALS

Office

Official

Term

Trustee

Carl L. Drummer

01-01-03 to 12-31-10

Chairman of the
Township Board

Linda Journey
Phyllis A. Carr

01-01-05 to 12-31-05
01-01-06 to 12-31-07



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, 2005 to December 31, 2006. 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, 2005 and 2006, 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

September 6, 2007

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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 4,597,920	\$ 987,999	\$ 1,592,268	\$ 3,993,651
Dog	452	144	152	444
Community Services	71,842	1,121,469	1,111,460	81,851
Township Assistance	8,516,338	4,964,241	6,119,495	7,361,084
Small Claims Court	1,318,627	1,971,627	2,373,373	916,881
Fun Fest	3,996	9,100	14,173	(1,077)
Fiduciary Fund:				
Payroll	(4,592)	1,997,933	1,995,187	(1,846)
Totals	<u>\$ 14,504,583</u>	<u>\$ 11,052,513</u>	<u>\$ 13,206,108</u>	<u>\$ 12,350,988</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 3,993,651	\$ 1,265,230	\$ 1,223,845	\$ 4,035,036
Dog	444	146	180	410
Community Services	81,851	1,395,116	1,361,136	115,831
Township Assistance	7,361,084	4,947,716	5,835,509	6,473,291
Small Claims Court	916,881	2,055,950	1,418,870	1,553,961
Fun Fest	(1,077)	15,775	15,824	(1,126)
Fiduciary Fund:				
Payroll	(1,846)	2,188,196	2,189,640	(3,290)
Totals	<u>\$ 12,350,988</u>	<u>\$ 11,868,129</u>	<u>\$ 12,045,004</u>	<u>\$ 12,174,113</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: public safety, 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 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, MARION 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 of MARION COUNTY

Telephone: 317.920.0300

CARL L. DRUMMER, *Trustee*
300 East Fall Creek Parkway
Indianapolis, IN 46205
www.centergov.org

Fax: 317.920.4726

CENTER TOWNSHIP SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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	3,906,544
Machinery and equipment	<u>790,228</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,111,129</u>

CENTER TOWNSHIP, MARION COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The Township's ledgers were incomplete and were not reflective of the total of all bank account balances as of December 31, 2006. The bank balance as documented was in excess of the fund balances listed on the Township Ledgers Report by a material amount. The differences were identified and the ledger balances corrected by the Township for presentation of the financial information herein.

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)

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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination or were incorrect in that all funds held by the Township were not reconciled on a monthly basis. The Township reconciled only the individual bank accounts and did not include all funds held in the investment accounts.

Indiana Code 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)

CENTER TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2007, with Carl L. Drummer, Trustee; and Alan Mizen, Chief Financial Officer. The official response has been made a part of this report and may be found on page 10.

CENTER TOWNSHIP of MARION COUNTY

CARL L. DRUMMER, *Trustee*

Telephone: 317.920.0300

300 East Fall Creek Parkway

Fax: 317.920.4726

Indianapolis, IN 46205

www.centergov.org

To All Users of This Report:

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. Condition of Records – The Township Trustee has implemented an additional procedure that reasonably assures all transfers between demand transaction bank accounts and consolidated overnight investment accounts will be properly recognized in all reports.
 - b. Bank Account Reconciliations – The Township has implemented an additional procedure that will reasonably assure all transfers between demand transaction bank accounts and consolidated overnight investment accounts will be properly recognized in all reports. In addition to the monthly reconciliation of each demand account to the related fund an additional procedure has been implemented which will assure the reconciliation of all fund balances to total moneys on hand.

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 public accountability, with minimal impact on the overall property taxes paid by 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



Carl L. Drummer
Trustee