

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

EXAMINATION REPORT  
OF  
CENTER TOWNSHIP  
LAKE COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/27/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Supplementary Information: Schedule of Capital Assets.....	7
Examination Results and Comments: Holiday – Relief Fund Activity Not Posted to Records .....	8
Cemetery Maintenance Contract.....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Eldon Strong	01-01-07 to 12-31-10
Chairman of the Township Board	Roland Wise	01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2008, and 2009, 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

March 30, 2010

CENTER TOWNSHIP, LAKE 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, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 182,017	\$ 72,290	\$ 75,180	\$ 179,127
Dog	698	-	-	698
Township Assistance	190,093	81,435	119,189	152,339
Firefighting	1,086,706	181,099	354,044	913,761
Cumulative Fire	441,520	27,135	214,963	253,692
Holiday - Relief	-	3,917	137	3,780
Fiduciary Fund:				
Payroll Withholdings	2,070	22,211	21,052	3,229
Totals	<u>\$ 1,903,104</u>	<u>\$ 388,087</u>	<u>\$ 784,565</u>	<u>\$ 1,506,626</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 179,127	\$ 344,515	\$ 83,143	\$ 440,499
Dog	698	-	698	-
Township Assistance	152,339	109,922	153,768	108,493
Firefighting	913,761	532,938	140,318	1,306,381
Cumulative Fire	253,692	79,294	13,831	319,155
Holiday - Relief	3,780	2,942	364	6,358
Fiduciary Fund:				
Payroll Withholdings	3,229	22,621	22,766	3,084
Totals	<u>\$ 1,506,626</u>	<u>\$ 1,092,232</u>	<u>\$ 414,888</u>	<u>\$ 2,183,970</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 440,499	\$ 95,044	\$ 79,761	\$ 455,782
Township Assistance	108,493	89,799	154,180	44,112
Firefighting	1,306,381	227,267	138,441	1,395,207
Cumulative Fire	319,155	33,094	-	352,249
Holiday - Relief	6,358	2,238	400	8,196
Fiduciary Fund:				
Payroll Withholdings	3,084	22,966	23,040	3,010
Totals	<u>\$ 2,183,970</u>	<u>\$ 470,408</u>	<u>\$ 395,822</u>	<u>\$ 2,258,556</u>

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

CENTER TOWNSHIP, LAKE 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, 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.

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, LAKE 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.

Note 7. Property Taxes

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2009, as required by state statute, due to the continued delay caused by the reassessment of Lake County. Final distribution of the 2008 taxes payable 2009 was made January 20, 2010.

Note 8. Subsequent Event

On December 22, 2009, the Township Board awarded the bid for a new Pierce Velocity Pumper from Pierce Manufacturing Co. The bid was \$489,286 (\$507,200, less a \$17,914 cash discount). Delivery is expected early in 2010.

CENTER TOWNSHIP, LAKE COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2009

Capital assets are reported at actual cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and fire equipment	<u>\$ 1,031,241</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 1,031,241</u></u>

CENTER TOWNSHIP, LAKE COUNTY  
EXAMINATION RESULTS AND COMMENTS

HOLIDAY - RELIEF FUND ACTIVITY NOT POSTED TO RECORDS

The Township Board created the Center Township Holiday - Relief Fund by Resolution 2008-11, on December 30, 2008. Money deposited into the fund had been donated by members of the public or charitable organizations. The money is to be used for the purchase of food and other personal need items normally provided by the Center Township Food Pantry. Additionally, money in the fund may be used during the holiday season to purchase specialty food items for recipients. A separate bank account and check register was maintained for the Center Township Holiday - Relief Fund. However, the fund activity did not appear on the Annual Report or on the "Financial and Appropriation Record." The bank activity has been reported for the Center Township Holiday - Relief Fund.

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)

CEMETERY MAINTENANCE CONTRACT

The Township paid \$700 per year for routine cemetery maintenance to a single individual. A contract for 2007 was available for examination. However, contracts for the years ended December 31, 2008 and 2009, were not presented for examination. Officials did not issue Federal 1099 Miscellaneous Income Forms for 2007, 2008, or 2009 for these services.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CENTER TOWNSHIP, LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Eldon Strong, Trustee; and Randy Palmateer, Board member. The officials concurred with our findings.