

B36547

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

EXAMINATION REPORT  
OF  
CENTER TOWNSHIP  
UNION COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/28/2010



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OFFICIALS

Office

Official

Term

Trustee

Matt A. Reuss

01-01-07 to 12-31-10

Chairman of the  
Township Board

Jeff Moles

01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Center Township (Township), for the period of January 1, 2008 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 1, 2010

CENTER TOWNSHIP, UNION COUNTY  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 30,634	\$ 12,633	\$ 10,620	\$ 32,647
Township Assistance	12,751	-	1,107	11,644
Firefighting	192	19,637	19,729	100
Rainy Day	623	752	-	1,375
	<u>44,200</u>	<u>33,022</u>	<u>31,456</u>	<u>45,766</u>
Totals	<u>\$ 44,200</u>	<u>\$ 33,022</u>	<u>\$ 31,456</u>	<u>\$ 45,766</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 32,647	\$ 12,757	\$ 11,800	\$ 33,604
Township Assistance	11,644	-	3,072	8,572
Firefighting	100	19,722	19,688	134
Rainy Day	1,375	-	-	1,375
	<u>45,766</u>	<u>32,479</u>	<u>34,560</u>	<u>43,685</u>
Totals	<u>\$ 45,766</u>	<u>\$ 32,479</u>	<u>\$ 34,560</u>	<u>\$ 43,685</u>

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

CENTER TOWNSHIP, UNION 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. 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, UNION COUNTY  
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was not posting or depositing monthly local tax distributions in the month received. Some receipts were posted and deposited as much as five months after being received.

IC 5-13-6-1(c) states in part:

"The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses 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."

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to the Trustee and Clerk prior to the receipt of services. Payments to the Trustee for rent were paid in full by August of each year. Salaries for 2009 were paid as much as two months in advance.

The Cemetery Care Contract presented for examination specified that the cemeteries be mowed at least three times per season: Memorial Day, 4th of July, and Labor Day. The 2008 contract was paid in two equal installments on April 1, 2008 and June 28, 2008. The 2009 contract was paid in two equal installments on May 1, 2009 and August 29, 2009. A similar comment was in the prior report.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

DELINQUENT LIABILITIES - CONTRACTS

The Township contracts with the Town of Liberty for fire protection services. The Township owed at December 31, 2008, an additional \$6,399.81 for the 2008 contract. The balance due was paid December 29, 2009. The Township owed at December 31, 2009, an additional \$7,694.92 for the 2009 contract. The balance due is outstanding at April 1, 2010.

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The Trustee's official bond does not comply with current requirements. Annual coverage of the current official bond is \$15,000.

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage 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 of annual coverage 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 of annual coverage for the officer or employee."

CENTER TOWNSHIP, UNION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Matt A. Reuss, Trustee. The official concurred with our findings.