

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

CENTER TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2011 to December 31, 2013



FILED

10/16/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3-4
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	6-7
Notes to Financial Statements	8-11
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-17
Other Reports.....	18

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Eugene Akers	01-01-11 to 12-31-18
Judge	Honorable Michelle Smith-Scott (Vacant)	01-01-11 to 10-03-14 10-04-14 to 10-14-14
	Honorable Brenda Roper	10-15-14 to 12-31-18
Chairman of the Township Board	Linda Journey Phyllis Carr Linda Journey Phyllis Carr	01-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-15



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 accompanying financial statements of Center Township (Township), for the period of January 1, 2011 to December 31, 2013. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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, 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 fairly, 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, 2011 to December 31, 2013.

The Township did not provide sufficient audit documentation to substantiate the balances for the Small Claims Court fund. The Township did not maintain a complete Court Cash Book. Consequently, we were not able to determine whether the reported amounts were fairly stated.

In our opinion, except for the effects on the financial statements, if any, of the inability to obtain sufficient competent evidential matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2011 to December 31, 2013, on the basis of accounting described in Note 1.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

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, 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, CPA
State Examiner

November 10, 2014

FINANCIAL STATEMENTS

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, MARION COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Township	\$ 3,258,498	\$ 1,050,854	\$ 2,778,966	\$ 1,530,386	\$ 3,357,066	\$ 4,316,450	\$ 571,002
Township Assistance	3,910,316	4,892,705	4,371,519	4,431,502	3,257,960	4,310,100	3,379,362
Levy Excess	7,778	-	7,778	-	-	-	-
Community Outreach	47,526	1,707,428	1,668,485	86,469	1,772,642	1,727,481	131,630
Escrow	65,000	-	-	65,000	-	-	65,000
Fun Fest	6,233	24,946	22,866	8,313	41,105	23,546	25,872
Clearing	38,907	166,137	162,229	42,815	183,214	226,029	-
Small Claims Court	<u>2,130,580</u>	<u>3,136,075</u>	<u>2,276,586</u>	<u>2,990,069</u>	<u>3,265,583</u>	<u>2,759,098</u>	<u>3,496,554</u>
Totals	<u>\$ 9,464,838</u>	<u>\$ 10,978,145</u>	<u>\$ 11,288,429</u>	<u>\$ 9,154,554</u>	<u>\$ 11,877,570</u>	<u>\$ 13,362,704</u>	<u>\$ 7,669,420</u>

The notes to the financial statements are an integral part of this statement.

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Township	\$ 571,002	\$ 4,968,970	\$ 3,218,868	\$ 2,321,104
Township Assistance	3,379,362	2,722,553	3,608,484	2,493,431
Rainy Day Fund	-	991,500	-	991,500
Capital Building Fund	-	2,454,400	-	2,454,400
Community Outreach	131,630	1,845,861	1,819,435	158,056
Escrow	65,000	-	-	65,000
Fun Fest	25,872	9,050	24,819	10,103
Clearing	-	683,512	683,512	-
Small Claims Court	3,496,554	3,159,291	4,078,369	2,577,476
Totals	<u>\$ 7,669,420</u>	<u>\$ 16,835,137</u>	<u>\$ 13,433,487</u>	<u>\$ 11,071,070</u>

The notes to the financial statements are an integral part of this statement.

CENTER TOWNSHIP, MARION 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, health and social services (township assistance), culture and recreation (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 which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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 which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts which include amounts received from various sources which can include, but are 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 include outflows 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 which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are 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, transfer money 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 money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be

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

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, 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, MARION 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. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's Annual Report information for years 2011 and later 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 Annual Reports of the Township which are 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 supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

CENTER TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	Township	Township Assistance	Levy Excess	Community Outreach	Escrow	Fun Fest	Clearing	Small Claims Court	Totals
Cash and investments - beginning	\$ 3,258,498	\$ 3,910,316	\$ 7,778	\$ 47,526	\$ 65,000	\$ 6,233	\$ 38,907	\$ 2,130,580	\$ 9,464,838
Receipts:									
Taxes	219,104	2,231,209	-	-	-	-	-	-	2,450,313
Intergovernmental	83,474	2,576,074	-	-	-	-	-	-	2,659,548
Charges for services	700,584	-	-	-	-	-	-	-	700,584
Other receipts	47,692	85,422	-	1,707,428	-	24,946	166,137	3,136,075	5,167,700
Total receipts	1,050,854	4,892,705	-	1,707,428	-	24,946	166,137	3,136,075	10,978,145
Disbursements:									
Personal services	1,438,597	2,137,539	-	-	-	-	-	-	3,576,136
Supplies	106,003	148,229	-	-	-	188	-	-	254,420
Other services and charges	744,163	1,927,588	-	-	-	22,678	-	-	2,694,429
Capital outlay	490,203	158,163	-	-	-	-	-	-	648,366
Other disbursements	-	-	7,778	1,668,485	-	-	162,229	2,276,586	4,115,078
Total disbursements	2,778,966	4,371,519	7,778	1,668,485	-	22,866	162,229	2,276,586	11,288,429
Excess (deficiency) of receipts over disbursements	(1,728,112)	521,186	(7,778)	38,943	-	2,080	3,908	859,489	(310,284)
Cash and investments - ending	\$ 1,530,386	\$ 4,431,502	\$ -	\$ 86,469	\$ 65,000	\$ 8,313	\$ 42,815	\$ 2,990,069	\$ 9,154,554

CENTER TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Township	Township Assistance	Levy Excess	Community Outreach	Escrow	Fun Fest	Clearing	Small Claims Court	Totals
Cash and investments - beginning	\$ 1,530,386	\$ 4,431,502	\$ -	\$ 86,469	\$ 65,000	\$ 8,313	\$ 42,815	\$ 2,990,069	\$ 9,154,554
Receipts:									
Taxes	1,858,309	879,836	-	-	-	-	-	-	2,738,145
Intergovernmental	361,405	2,299,843	-	-	-	-	-	-	2,661,248
Charges for services	551,116	-	-	-	-	-	-	-	551,116
Other receipts	586,236	78,281	-	1,772,642	-	41,105	183,214	3,265,583	5,927,061
Total receipts	3,357,066	3,257,960	-	1,772,642	-	41,105	183,214	3,265,583	11,877,570
Disbursements:									
Personal services	1,491,562	2,250,607	-	-	-	-	-	-	3,742,169
Supplies	109,695	126,108	-	-	-	-	-	-	235,803
Other services and charges	1,130,890	1,867,377	-	-	-	23,546	-	-	3,021,813
Capital outlay	1,584,303	66,008	-	-	-	-	-	-	1,650,311
Other disbursements	-	-	-	1,727,481	-	-	226,029	2,759,098	4,712,608
Total disbursements	4,316,450	4,310,100	-	1,727,481	-	23,546	226,029	2,759,098	13,362,704
Excess (deficiency) of receipts over disbursements	(959,384)	(1,052,140)	-	45,161	-	17,559	(42,815)	506,485	(1,485,134)
Cash and investments - ending	\$ 571,002	\$ 3,379,362	\$ -	\$ 131,630	\$ 65,000	\$ 25,872	\$ -	\$ 3,496,554	\$ 7,669,420

(This page intentionally left blank.)

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

	Township	Township Assistance	Rainy Day Fund	Capital Building Fund	Community Outreach	Escrow	Fun Fest	Clearing	Small Claims Court	Totals
Cash and investments - beginning	\$ 571,002	\$ 3,379,362	\$ -	\$ -	\$ 131,630	\$ 65,000	\$ 25,872	\$ -	\$ 3,496,554	\$ 7,669,420
Receipts:										
Taxes	2,243,443	426,694	-	-	-	-	-	-	-	2,670,137
Intergovernmental	317,220	2,253,389	-	-	-	-	-	-	-	2,570,609
Charges for services	551,535	9,517	-	-	-	-	-	-	-	561,052
Other receipts	1,856,772	32,953	991,500	2,454,400	1,845,861	-	9,050	683,512	3,159,291	11,033,339
Total receipts	4,968,970	2,722,553	991,500	2,454,400	1,845,861	-	9,050	683,512	3,159,291	16,835,137
Disbursements:										
Personal services	1,467,687	2,072,299	-	-	-	-	-	683,512	-	4,223,498
Supplies	66,650	100,272	-	-	-	-	24,325	-	-	191,247
Other services and charges	824,724	1,433,496	-	-	-	-	494	-	-	2,258,714
Capital outlay	842,839	2,417	-	-	-	-	-	-	-	845,256
Other disbursements	16,968	-	-	-	1,819,435	-	-	-	4,078,369	5,914,772
Total disbursements	3,218,868	3,608,484	-	-	1,819,435	-	24,819	683,512	4,078,369	13,433,487
Excess (deficiency) of receipts over disbursements	1,750,102	(885,931)	991,500	2,454,400	26,426	-	(15,769)	-	(919,078)	3,401,650
Cash and investments - ending	\$ 2,321,104	\$ 2,493,431	\$ 991,500	\$ 2,454,400	\$ 158,056	\$ 65,000	\$ 10,103	\$ -	\$ 2,577,476	\$ 11,071,070

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/>.