

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

FINANCIAL STATEMENTS AUDIT REPORT

OF

CENTER TOWNSHIP

VANDERBURGH COUNTY, INDIANA

January 1, 2014 to December 31, 2017



**FILED**  
10/17/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gary Burdsall	01-01-14 to 12-31-18
Chairman of the Township Board	Dennis Isaac	01-01-14 to 12-31-14
	Tom Gant	01-01-15 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Center Township (Township), which comprise the financial position and results of operations for the period of January 1, 2014 to December 31, 2017, and the related notes to the financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statements, 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 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance 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, 2014 to December 31, 2017.


***Opinion on Regulatory Basis of Accounting***

In our opinion, 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, 2014 to December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Other Information*

Our audit 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 auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

  
Paul D. Joyce, CPA  
State Examiner

September 13, 2018

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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, VANDERBURGH COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended December 31, 2014 and 2015

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Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ 94,470	\$ 202,462	\$ 254,294	\$ 42,638	\$ 468,357	\$ 465,648	\$ 45,347
Township Assistance	112,496	356,081	354,148	114,429	299,456	390,385	23,500
Fire Fighting	49,199	455,288	500,000	4,487	481,232	474,815	10,904
Rainy Day	51,299	105,448	-	156,747	180,000	150,171	186,576
Cumulative Fire	104,284	342,868	444,233	2,919	377,953	369,844	11,028
Fire Debt	5,448	-	5,448	-	-	-	-
Loan And Interest	(956)	956	-	-	-	-	-
Payroll Deductions	(75,527)	49,286	45,641	(71,882)	50,006	55,357	(77,233)
Totals	<u>\$ 340,713</u>	<u>\$ 1,512,389</u>	<u>\$ 1,603,764</u>	<u>\$ 249,338</u>	<u>\$ 1,857,004</u>	<u>\$ 1,906,220</u>	<u>\$ 200,122</u>

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

CENTER TOWNSHIP, VANDERBURGH COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended December 31, 2016 and 2017

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16	Receipts	Disbursements	Cash and Investments 12-31-17
Township	\$ 45,347	\$ 257,182	\$ 294,362	\$ 8,167	\$ 260,228	\$ 249,808	\$ 18,587
Township Assistance	23,500	321,942	336,070	9,372	323,318	332,550	140
Fire Fighting	10,904	512,975	257,500	266,379	527,959	772,500	21,838
Rainy Day	186,576	204,484	213,597	177,463	-	14,876	162,587
Cumulative Fire	11,028	382,443	242,613	150,858	382,083	416,037	116,904
Payroll Deductions	(77,233)	134,078	54,788	2,057	54,834	56,307	584
Totals	<u>\$ 200,122</u>	<u>\$ 1,813,104</u>	<u>\$ 1,398,930</u>	<u>\$ 614,296</u>	<u>\$ 1,548,422</u>	<u>\$ 1,842,078</u>	<u>\$ 320,640</u>

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

CENTER TOWNSHIP, VANDERBURGH 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 (fire), health and social services (township assistance), culture and recreation (parks and/or 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.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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, VANDERBURGH COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*Other receipts.* Amounts received from various sources, including, but 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.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts accounted for in a specific fund may only be 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.

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

**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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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, the following: 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.

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.

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

**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.

**Note 7. Cash Balance Deficits**

The financial statements contain a fund with deficits in cash. This is a result of disbursements in excess of receipts in the Payroll Deductions fund, a clearing account, at December 31, 2014 and 2015.

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#### OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units 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 Township's Annual Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

CENTER TOWNSHIP, VANDERBURGH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Fire Debt	Loan And Interest	Payroll Deductions	Totals
Cash and investments - beginning	\$ 94,470	\$ 112,496	\$ 49,199	\$ 51,299	\$ 104,284	\$ 5,448	\$ (956)	\$ (75,527)	\$ 340,713
Receipts:									
Taxes	146,105	266,339	283,814	-	309,139	-	-	-	1,005,397
Intergovernmental receipts	56,317	89,692	171,472	-	33,729	-	-	-	351,210
Other receipts	40	50	2	105,448	-	-	956	49,286	155,782
Total receipts	202,462	356,081	455,288	105,448	342,868	-	956	49,286	1,512,389
Disbursements:									
Personal services	139,986	97,572	-	-	-	-	-	45,641	283,199
Supplies	8,827	4,436	-	-	-	-	-	-	13,263
Other services and charges	102,559	252,140	500,000	-	270,000	-	-	-	1,124,699
Debt service - principal and interest	-	-	-	-	74,233	-	-	-	74,233
Capital outlay	1,966	-	-	-	-	-	-	-	1,966
Other disbursements	956	-	-	-	100,000	5,448	-	-	106,404
Total disbursements	254,294	354,148	500,000	-	444,233	5,448	-	45,641	1,603,764
Excess (deficiency) of receipts over disbursements	(51,832)	1,933	(44,712)	105,448	(101,365)	(5,448)	956	3,645	(91,375)
Cash and investments - ending	\$ 42,638	\$ 114,429	\$ 4,487	\$ 156,747	\$ 2,919	\$ -	\$ -	\$ (71,882)	\$ 249,338

CENTER TOWNSHIP, VANDERBURGH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Fire Debt	Loan And Interest	Payroll Deductions	Totals
Cash and investments - beginning	\$ 42,638	\$ 114,429	\$ 4,487	\$ 156,747	\$ 2,919	\$ -	\$ -	\$ (71,882)	\$ 249,338
Receipts:									
Taxes	187,679	234,980	293,517	-	327,929	-	-	-	1,044,105
Intergovernmental receipts	58,631	63,256	187,715	-	30,180	-	-	-	339,782
Other receipts	222,047	1,220	-	180,000	19,844	-	-	50,006	473,117
Total receipts	468,357	299,456	481,232	180,000	377,953	-	-	50,006	1,857,004
Disbursements:									
Personal services	133,784	152,674	-	-	-	-	-	-	286,458
Supplies	1,955	237,711	-	-	-	-	-	-	239,666
Other services and charges	112,412	-	474,815	50,171	289,844	-	-	-	927,242
Capital outlay	4,609	-	-	-	-	-	-	-	4,609
Other disbursements	212,888	-	-	100,000	80,000	-	-	55,357	448,245
Total disbursements	465,648	390,385	474,815	150,171	369,844	-	-	55,357	1,906,220
Excess (deficiency) of receipts over disbursements	2,709	(90,929)	6,417	29,829	8,109	-	-	(5,351)	(49,216)
Cash and investments - ending	\$ 45,347	\$ 23,500	\$ 10,904	\$ 186,576	\$ 11,028	\$ -	\$ -	\$ (77,233)	\$ 200,122

CENTER TOWNSHIP, VANDERBURGH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2016

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Deductions	Totals
Cash and investments - beginning	\$ 45,347	\$ 23,500	\$ 10,904	\$ 186,576	\$ 11,028	\$ (77,233)	\$ 200,122
Receipts:							
Taxes	185,739	235,572	299,834	-	338,720	-	1,059,865
Intergovernmental receipts	20,191	86,350	213,141	104,484	33,723	-	457,889
Other receipts	51,252	20	-	100,000	10,000	134,078	295,350
Total receipts	257,182	321,942	512,975	204,484	382,443	134,078	1,813,104
Disbursements:							
Personal services	190,008	99,425	-	75,818	-	10,875	376,126
Supplies	55,021	977	-	400	-	-	56,398
Other services and charges	45,140	235,668	257,500	67,356	142,613	-	748,277
Capital outlay	4,193	-	-	70,023	-	-	74,216
Other disbursements	-	-	-	-	100,000	43,913	143,913
Total disbursements	294,362	336,070	257,500	213,597	242,613	54,788	1,398,930
Excess (deficiency) of receipts over disbursements	(37,180)	(14,128)	255,475	(9,113)	139,830	79,290	414,174
Cash and investments - ending	\$ 8,167	\$ 9,372	\$ 266,379	\$ 177,463	\$ 150,858	\$ 2,057	\$ 614,296

CENTER TOWNSHIP, VANDERBURGH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Payroll Deductions	Totals
Cash and investments - beginning	\$ 8,167	\$ 9,372	\$ 266,379	\$ 177,463	\$ 150,858	\$ 2,057	\$ 614,296
Receipts:							
Taxes	231,670	300,811	495,501	-	345,787	-	1,373,769
Intergovernmental receipts	25,562	22,495	32,458	-	36,296	-	116,811
Other receipts	2,996	12	-	-	-	54,834	57,842
Total receipts	260,228	323,318	527,959	-	382,083	54,834	1,548,422
Disbursements:							
Personal services	173,371	109,332	-	-	-	-	282,703
Supplies	10,797	750	-	-	-	-	11,547
Other services and charges	39,519	222,468	772,500	14,876	416,037	-	1,465,400
Capital outlay	26,121	-	-	-	-	-	26,121
Other disbursements	-	-	-	-	-	56,307	56,307
Total disbursements	249,808	332,550	772,500	14,876	416,037	56,307	1,842,078
Excess (deficiency) of receipts over disbursements	10,420	(9,232)	(244,541)	(14,876)	(33,954)	(1,473)	(293,656)
Cash and investments - ending	\$ 18,587	\$ 140	\$ 21,838	\$ 162,587	\$ 116,904	\$ 584	\$ 320,640

#### 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/>.