

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CENTER TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
06/21/2017

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------------|---------------------|----------------------|
| Trustee | Shiela Workman | 01-01-12 to 12-31-12 |
| | Stephen Durham | 01-01-13 to 12-31-18 |
| Chairman of the Township Board | Roscoe Raines | 01-01-12 to 12-31-12 |
| | Bernadene Holtsclaw | 01-01-13 to 12-31-13 |
| | Roscoe Raines | 01-01-14 to 12-31-14 |
| | Gary Jackson | 01-01-15 to 12-31-15 |
| | Bernadene Holtsclaw | 01-01-16 to 12-31-16 |
| | Sharon McKinley | 01-01-17 to 12-31-17 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our examination report of Center Township (Township), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Examination Report of the Township, which provides our opinion on the Township's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 16, 2017

CENTER TOWNSHIP, GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Trustee did not record an individual Surety Bond in the County Recorder's office for 2013, 2014, 2015, and 2016.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond . . . in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31, 2012, 2013, and 2015:

| Years | Fund | Amount Overdrawn |
|-------|--------------------|---------------------|
| 2012 | Fire Fighting | \$ 17,316 |
| 2012 | Fire Building Fund | 13,763 |
| 2012 | Fire Debt | 3,920 |
| 2013 | Fire Building Fund | 10,509 |
| 2013 | Fire Debt | 3,179 |
| 2015 | Fire Building Fund | 33 |

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROPRIATIONS

The records presented indicated the following expenditures in excess of budgeted appropriations:

| Year | Fund | Excess Amount Disbursed |
|------|---------------|----------------------------|
| 2015 | Fire Fighting | \$ 826.87 |

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

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

DEPOSITS

Receipts were deposited later than the first and the fifteenth of the month in 6 out of 14 receipts tested for 2015.

Indiana Code 5-13-16-1(c) states in part: ". . . The public funds collected by the township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. . . ."

PENALTIES, INTEREST, AND OTHER CHARGES

The Township paid penalties, interest, and other charges to Midwest Gas Utility, Comcast, Eastern Heights Utility, and White River Valley Coop in the amount of \$280.61 because the Township did not remit payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SALES TAX PAID ON PURCHASES

Several disbursements examined revealed that sales tax was paid on some purchases.

Sales taxes that are paid on qualifying purchases by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ANNUAL FINANCIAL REPORT NOT FILED TIMELY

The Annual Financial Reports for 2013 and 2014 were not filed electronically until March 31, 2014, and March 16, 2015, respectively, which were 31 and 16 days past the due dates.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically . . ."

CERTIFIED REPORT FILED AFTER DUE DATE

The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2014. The report was filed on February 16, 2015, which was 16 days past the due date.

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

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

NEPOTISM CERTIFICATION

Each elected officer did not certify in writing by December 31, 2012, 2013, 2014, and 2015 that they had not violated Indiana Code 36-1-20.2 (Nepotism).

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

CONTRACTING WITH A UNIT CERTIFICATION

Each elected officer did not certify in writing by December 31, 2012, 2013, 2014, and 2015 that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit).

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

CENTER TOWNSHIP, GREENE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2017, with Stephen Durham, Trustee.