

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

EXAMINATION REPORT  
OF  
GREENFIELD TOWNSHIP  
LAGRANGE COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
04/27/2007



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OFFICIALS

Office

Official

Term

Trustee

Arlys E. Boggs

01-01-03 to 12-31-10

Chairman of the  
Township Board

Robert Grubaugh

01-01-05 to 12-31-07



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GREENFIELD TOWNSHIP, LAGRANGE COUNTY, INDIANA

We have examined the financial information presented herein of Greenfield Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 17, 2007

GREENFIELD TOWNSHIP, LAGRANGE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 20,257	\$ 13,800	\$ 16,583	\$ 17,474
Dog	785	452	485	752
Township Assistance	9,282	7,629	3,095	13,816
Firefighting	14,328	25,240	16,721	22,847
Levy Excess	<u>-</u>	<u>3,936</u>	<u>-</u>	<u>3,936</u>
Totals	<u>\$ 44,652</u>	<u>\$ 51,057</u>	<u>\$ 36,884</u>	<u>\$ 58,825</u>

	Cash and Investments			Cash and Investments
Governmental Funds:				
Township	\$ 17,474	\$ 13,885	\$ 16,194	\$ 15,165
Dog	752	488	1,240	-
Township Assistance	13,816	6,291	4,869	15,238
Firefighting	22,847	25,664	18,389	30,122
Levy Excess	<u>3,936</u>	<u>992</u>	<u>3,936</u>	<u>992</u>
Totals	<u>\$ 58,825</u>	<u>\$ 47,320</u>	<u>\$ 44,628</u>	<u>\$ 61,517</u>

The accompanying notes are an integral part of the schedules.

GREENFIELD TOWNSHIP, LAGRANGE 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.

GREENFIELD TOWNSHIP, LAGRANGE COUNTY  
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS

Payments to the Township Clerk and the Township Board members were made without payroll deductions for taxes.

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. Non-compliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AGENCIES - COMPLIANCE REQUIREMENTS

Social security and medicare taxes were not withheld from the pay of the Township Clerk or Township Board members for 2005 and 2006. Wages were not accurately reported or taxes accurately paid on the Form 941 Employer's Quarterly Federal Tax Return for 2005 and 2006. Form W-2 Wage and Tax Statements for 2005 and 2006 were not filed for the Township Board members and the Township Clerk's W-2 forms for both years were not accurate. Form W-3 Transmittal of Wage and Tax Statements were incorrect for 2005 and 2006. There were no 1099's issued to the Township Trustee for the rental of office space in her home to the Township. The Trustee was paid \$1,950 in 2005, and \$2,400 in 2006.

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)

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 governmental unit.

GREENFIELD TOWNSHIP, LAGRANGE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES AND INTEREST

Penalties and interest totaling \$47.63 were paid to the United States Treasury for the examination period. Penalties and interest totaling \$29.53 were paid to the Indiana Department of Revenue for the examination period.

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Six Township Assistance payments did not contain adequate supporting documentation, such as a complete application for Township Assistance. The Township Trustee's daughter, who is also the Township Clerk, received the benefits from the payments. Due to the lack of supporting information, the validity and accountability for the money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Payments were made to Blue Heron Ministries for cemetery maintenance in 2005 and 2006. No contract was made available for audit.

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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GREENFIELD TOWNSHIP, LAGRANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 17, 2007, with Arlys E. Boggs, Trustee.