

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

EXAMINATION REPORT
OF
GREEN TOWNSHIP
NOBLE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
09/27/2007

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OFFICIALS

Office

Official

Term

Trustee

Mel A. Egolf

01-01-03 to 12-31-10

Chairman of the
Township Board

William Owen

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GREEN TOWNSHIP, NOBLE COUNTY, INDIANA

We have examined the financial information presented herein of Green 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

August 1, 2007

GREEN TOWNSHIP, NOBLE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 13,572	\$ 12,914	\$ 11,218	\$ 15,268
Dog	437	-	100	337
Township Assistance	3,060	4,897	2,999	4,958
Firefighting	2,914	27,024	20,500	9,438
Park and Recreation	1,428	3,647	2,100	2,975
Fiduciary Fund:				
Payroll Withholdings	1,542	1,599	-	3,141
Totals	<u>\$ 22,953</u>	<u>\$ 50,081</u>	<u>\$ 36,917</u>	<u>\$ 36,117</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 15,268	\$ 23,060	\$ 19,382	\$ 18,946
Dog	337	179	-	516
Township Assistance	4,958	2,137	1,063	6,032
Firefighting	9,438	35,957	42,200	3,195
Park and Recreation	2,975	3,993	3,900	3,068
Fiduciary Fund:				
Payroll Withholdings	3,141	571	-	3,712
Totals	<u>\$ 36,117</u>	<u>\$ 65,897</u>	<u>\$ 66,545</u>	<u>\$ 35,469</u>

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

GREEN TOWNSHIP, NOBLE 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, culture and recreation, 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.

GREEN TOWNSHIP, NOBLE COUNTY
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION - TOWNSHIP ASSISTANCE

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some 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)

DEPOSIT OF PUBLIC FUNDS - DOG TAGS

Money collected by the Trustee for dog tags for 2005 and 2006 had not been deposited as of July 25, 2007.

Indiana Code 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."

TRANSACTION RECORDING - DOG TAGS

Receipts for dog tags for 2005 and 2006 were not entered in the records of the Township.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices. Fifty-eight percent of claims in 2005 were supported by adequate documentation. Eighty-nine percent of claims were supported by adequate documentation in 2006. Due to the lack of supporting information, the validity and accountability for some monies 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)

TIMELY RECORDKEEPING

There were instances of 83 to 145 days from the dates of the original transactions until entry on the records.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GREEN TOWNSHIP, NOBLE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

DEPOSIT OF PUBLIC FUNDS

There were instances where deposits were made up to 98 days after being recorded in the records.

Indiana Code 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."

ADVANCE PAYMENTS

Dates of transactions indicate that some payroll payments were made to the Deputy Trustee in advance of time actually worked. Also, the Trustee paid himself office rent for the year 2006 in April.

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)

OFFICIAL BOND

The Trustee was not bonded during the audit period. The Trustee acquired a bond effective July 31, 2007.

Indiana Code 5-4-1-9 states: "An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not remit payroll taxes withheld for the years 2005 and 2006 to the Internal Revenue Service.

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)

GREEN TOWNSHIP, NOBLE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ORDINANCES AND RESOLUTIONS

The Township Board adopted the budget for 2006 allowing for \$1,000 to be paid to the Trustee for office rent. However, the Trustee paid himself \$2,000. The Trustee was requested to reimburse the Township \$1,000. (See Summary, page 10)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD MINUTES

None of the minutes of meetings of the governing body for 2005 and 2006 were available for examination. A similar comment appeared in the prior Report B25153.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 . . ."

GREEN TOWNSHIP, NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2007, with Mel A. Egolf, Trustee. The official concurred with our findings.

GREEN TOWNSHIP, NOBLE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Mel A. Egolf, Trustee: Ordinances and Resolutions, page 8	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>