

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

EXAMINATION REPORT
OF
GREENFIELD TOWNSHIP
ORANGE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
06/26/2008

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OFFICIALS

Office

Official

Term

Trustee

David A. Riley
Shannon Riley
Patricia Akins

01-01-03 to 02-28-06
03-01-06 to 12-31-06
01-01-07 to 12-31-10

Chairman of the
Township Board

Ruth Apple
Jeff Riley

01-01-06 to 12-31-06
01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Greenfield Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 28, 2008

GREENFIELD TOWNSHIP, ORANGE 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ (1,983)	\$ 22,839	\$ 18,575	\$ 2,281
Dog	340	72	29	383
Township Assistance	1,498	-	1,498	-
Federal Revenue Sharing	283	-	283	-
Township Farm	18,529	420	1,132	17,817
Fiduciary Fund:				
Township Farm Trust	59,152	1,992	6,067	55,077
Totals	<u>\$ 77,819</u>	<u>\$ 25,323</u>	<u>\$ 27,584</u>	<u>\$ 75,558</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 2,281	\$ 19,534	\$ 19,476	\$ 2,339
Dog	383	-	-	383
Township Farm	17,817	490	2,138	16,169
Fiduciary Fund:				
Township Farm Trust	55,077	1,888	-	56,965
Totals	<u>\$ 75,558</u>	<u>\$ 21,912</u>	<u>\$ 21,614</u>	<u>\$ 75,856</u>

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

GREENFIELD TOWNSHIP, ORANGE 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: 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.

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, ORANGE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the various funds. The following deficiencies related to recordkeeping were noted during the examination period:

- (1) Record balances were not reconciled to depository balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balances should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (2) There were a considerable number of posting errors that were not properly corrected. The errors included deposits not receipted and checks and receipts not recorded in the proper amounts.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

Social Security and Medicare taxes were not withheld from the employees' wages during the examination period.

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)

Officers 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, ORANGE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Additionally, officers 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 obligations of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD MINUTES

Not all minutes of meetings of the governing body were available for examination.

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 or IC 20-12-63-7.

SUPPORTING DOCUMENTATION

Several of the disbursements tested did not contain adequate supporting documentation, such as receipts and invoices. 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)

PAYMENTS FOR CEMETERY CARE

Supporting documentation, agreements or contracts for payments for cemetery care were not presented for examination.

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)

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

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)

COLLECTIONS NOT DEPOSITED

We discovered during the review of local distributions from the County Auditor that the Trustee failed to deposit or record County Adjusted Gross Income Tax (CAGIT) funds of \$2,663.50 and Commercial Vehicle Excise Tax (CVET) funds of \$30 distributed to the Township on May 21, 2007. According to the Trustee, the funds were presumed to be compensation for Township Assessor duties and, subsequently, deposited into her personal bank account. Once the error was discovered during the examination, the funds were repaid to the Township Fund.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Patricia Akins, Trustee, has been requested to repay the distributions erroneously deposited into her personal account in the amount of \$2,693.50 to the Township Fund. (See Summary, page 10)

GREENFIELD TOWNSHIP, ORANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2008, with Patricia Akins, Trustee.

GREENFIELD TOWNSHIP, ORANGE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Patricia Akins, Trustee:			
Collections Not Deposited, Page 8	\$ 2,693.50	\$	\$
Paid by Patricia Akins, Trustee			
Deposited on April 28, 2008		2,693.50	-
 Totals	\$ 2,693.50	\$ 2,693.50	\$ -