

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

EXAMINATION REPORT
OF
GREGG TOWNSHIP
MORGAN COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
04/16/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Examination Results and Comments:	
Firefighting Fund.....	9
Old Outstanding Checks (Warrants).....	9-10
Collection of Amounts Due	10
Exit Conference.....	11

OFFICIALS

Office

Official

Term

Trustee

Carole Snyder

06-01-07 to 12-31-09

Chairman of the
Township Board

Larry Hayes

01-01-07 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GREGG TOWNSHIP, MORGAN COUNTY, INDIANA

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

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 11, 2009

GREGG TOWNSHIP, MORGAN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 60,259	\$ 22,188	\$ 33,886	\$ 48,561
Dog	140	-	-	140
Township Assistance	20,467	1,633	3,978	18,122
Firefighting	7,943	314,945	276,422	46,466
Fire Debt	1,022	-	-	1,022
Fire Equipment Debt	853	-	-	853
Fire Equipment	8,884	30,837	26,272	13,449
Cumulative Fire	23,619	24,507	21,000	27,126
Totals	<u>\$ 123,187</u>	<u>\$ 394,110</u>	<u>\$ 361,558</u>	<u>\$ 155,739</u>

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

GREGG TOWNSHIP, MORGAN 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.

GREGG TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 6. Subsequent Event

Gregg Township entered into a lease agreement with Brown Township signed by both Trustees and dated February 22, 2008, where Brown Township agreed to pay Gregg Township \$2,500 a month for three months for a total of \$7,500 for use of the ambulance owned by Gregg Township. Upon completion of this lease, Gregg Township leased the ambulance to the Madison Township Fire Department on November 1, 2008, in which the Madison Township Fire Department agreed to pay Gregg Township \$5 per mile for the use of the ambulance.

GREGG TOWNSHIP, MORGAN COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 135,000</u>

GREGG TOWNSHIP, MORGAN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Ambulance loan	\$ <u>72,393</u>	\$ <u>26,242</u>

GREGG TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS

FIREFIGHTING FUND

Supporting documentation, agreements or contracts for firefighting services provided by the Volunteer Fire Department were not presented for examination. The Township paid the Volunteer Fire Department \$131,000 for firefighting services during 2007 without a written contract, but has executed a contract with the Volunteer Fire Department for firefighting services to be rendered in 2008. The Township paid accounting fees, legal fees and other items in the amount of \$31,993 during the year 2007 from the Firefighting Fund without contract.

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 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)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2007, revealed checks (warrants) outstanding in excess of two years.

IC 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

GREGG TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-11-10.5-5 states: "(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks. (b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

COLLECTION OF AMOUNTS DUE

As noted in the previous Report B31483 for the period January 1, 2004 to December 31, 2006, the Township paid an accounting firm \$10,917.46 in excess of the amount agreed upon in the written contract between the Township and the accounting firm. The contract with the accounting firm stated certain services would be performed not to exceed \$10,000 in 2005 and not to exceed \$15,000 in 2006. A review of invoices indicates services were provided and paid by the Township in the amounts of \$10,151.97 for 2005 and \$25,716.49 for 2006.

The agreement also included the following, "We are also available to assist the Township in any other financial or accounting matters. We would be happy to discuss these opportunities and present a detailed proposal." The Township Trustee did not provide for examination any supplemental or amended agreements for any services performed above the amounts specified in the original contract.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GREGG TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2009, with Carole Snyder, Trustee.