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

EXAMINATION REPORT
OF
GREEN TOWNSHIP
NOBLE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
05/12/2010

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OFFICIALS

Office

Official

Term

Trustee

Mel A. Egolf

01-01-07 to 12-31-10

Chairman of the
Township Board

William Owen

01-01-07 to 12-31-10



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, 2007 to December 31, 2009. 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, 2007, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 12, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 18,946	\$ 7,794	\$ 11,870	\$ 14,870
Dog	516	-	-	516
Township Assistance	6,032	1,966	3,264	4,734
Firefighting	3,195	14,286	15,000	2,481
Park and Recreation	3,068	1,498	5,100	(534)
Fiduciary Fund:				
Payroll Withholdings	<u>3,712</u>	<u>474</u>	<u>-</u>	<u>4,186</u>
Totals	<u>\$ 35,469</u>	<u>\$ 26,018</u>	<u>\$ 35,234</u>	<u>\$ 26,253</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 14,870	\$ 23,657	\$ 15,584	\$ 22,943
Dog	516	-	-	516
Township Assistance	4,734	5,230	2,865	7,099
Firefighting	2,481	44,016	40,300	6,197
Park and Recreation	(534)	9,363	4,600	4,229
Fiduciary Fund:				
Payroll Withholdings	<u>4,186</u>	<u>665</u>	<u>-</u>	<u>4,851</u>
Totals	<u>\$ 26,253</u>	<u>\$ 82,931</u>	<u>\$ 63,349</u>	<u>\$ 45,835</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 22,943	\$ 19,998	\$ 15,773	\$ 27,168
Dog	516	-	-	516
Township Assistance	7,099	6,493	4,962	8,630
Firefighting	6,197	26,273	29,610	2,860
Park and Recreation	4,229	9,763	4,900	9,092
Fiduciary Fund:				
Payroll Withholdings	<u>4,851</u>	<u>465</u>	<u>562</u>	<u>4,754</u>
Totals	<u>\$ 45,835</u>	<u>\$ 62,992</u>	<u>\$ 55,807</u>	<u>\$ 53,020</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

BOARD MINUTES

None of the minutes of meetings of the governing body for 2007, 2008 and 2009 were presented for examination.

IC 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."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not comply with directives of the Internal Revenue Service by not remitting payroll taxes for the years 2007 and 2009. Taxes were not remitted for the years 2005 and 2006 as shown in the prior report.

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.

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)

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

DEPOSIT OF PUBLIC FUNDS

Taxes distributed in the years 2007 and 2008 by the Noble County Auditor were not recorded in the records or deposited for up to one year. The tax distributions on one occasion had to be reissued to the Trustee.

IC 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."

TIMELY RECORDKEEPING

There were noted instances of six months to one year from the time of the original date of the transactions until entry on the records. When the records were presented for examination the last six months of 2009 were not posted. The records were posted during the time of the examination.

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)

ANNUAL REPORTS NOT PREPARED NOR PUBLISHED

Annual Reports for the years 2007, 2008 and 2009 were not prepared nor published.

Township Annual Financial Report is an abstract report of receipts and disbursements for the calendar year. The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. The report must be published, within four weeks after the third Tuesday after the first Monday in January, one time in accordance with IC 5-3-1. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Effective July 1, 2009:

IC 5-11-1-4 states:

"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 filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

GREEN TOWNSHIP, NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Mel A. Egolf, Trustee. The official concurred with our findings.