

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
GREEN TOWNSHIP  
MADISON COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
08/29/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gregory L. Valentine	08-01-03 to 12-31-06
Chairman of the Township Board	Michael Wilson Sharon Robinson Jerry Manges	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Green Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 9, 2006

GREEN TOWNSHIP, MADISON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 24	\$ 31,367	\$ 20,329	\$ 11,062
Dog	856	-	40	816
Township Assistance	2,206	44,085	22,145	24,146
Township Assistance Loan	-	9,222	-	9,222
Firefighting	58,213	61,270	47,980	71,503
Cumulative Fire	86,835	33,647	23,688	96,794
Totals	<u>\$ 148,134</u>	<u>\$ 179,591</u>	<u>\$ 114,182</u>	<u>\$ 213,543</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 11,062	\$ 21,779	\$ 22,705	\$ 10,136
Dog	816	229	516	529
Township Assistance	24,146	30,066	33,016	21,196
Township Assistance Loan	9,222	25	8,860	387
Firefighting	71,503	42,680	54,665	59,518
Levy Excess	-	2,246	-	2,246
Cumulative Fire	96,794	71,832	51,199	117,427
Totals	<u>\$ 213,543</u>	<u>\$ 168,857</u>	<u>\$ 170,961</u>	<u>\$ 211,439</u>

The accompanying notes are an integral part of the schedules.

GREEN TOWNSHIP, MADISON COUNTY  
NOTES TO SCHEDULES

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.

GREEN TOWNSHIP, MADISON COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond of the Township Trustee was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of the officials or employees of the Township was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

MILEAGE REIMBURSEMENT

The Trustee was reimbursed for mileage expenses but did not file a Mileage Claim (General Form 101.) The Trustee documented travel mileage on an alternate generic travel log. A similar comment appeared in prior Examination Report B23941.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

INTEREST ON INVESTMENTS

Interest earned on certificates of deposit was added to the principal and not recorded in the records. A similar comment appeared in prior Examination Report B23941.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

The spouse of the Township Trustee worked as a Township and Township Assistance Clerk, and the son of the Township Trustee worked to maintain the cemeteries for the Township. A Uniform Conflict of Interest Disclosure Statement was not filed in either case.

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

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (½) of whose support is provided during a year by the public servant."

FUND SOURCES AND USES

Funds were disbursed from the Cumulative Fire Fund in 2004 and 2005, for fire contracts and 911 services. The total disbursed for the contracts was \$61,480 in 2004 and \$66,901 in 2005.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

The township board may provide a building or remodeling and equipment fund for the purchase of land and the purchase, construction, renovation or addition to buildings used by the fire department or volunteer fire department serving the township, and for the purchase of firefighting equipment, including making the required payments under a lease rental with option to purchase agreement made to acquire the equipment. Before a fund may be established, the proposal must be approved by the Department of Local Governmental Finance. Indiana Code 36-8-14-2 (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 9)

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

OFFICIAL AND EMPLOYEE SALARIES

The Township Form 17's provided for audit were not signed by the members of the Township Board.

The Township Board shall set: (1) Salaries; (2) Wages; (3) Rates of hourly pay; and (4) Remuneration other than statutory allowances; of all officers and employees of the township, except the assessor and his deputies and employees. Indiana Code 36-6-6-10

We recommended that the Township Board set the salaries of Township officials and employees, except assessing officials and employees, in conjunction with the preparation and completion of the Township budget.

The type of format for recording these salaries should be the existing Township Form 17. The salaries so fixed shall be recorded in the Township Board minutes.

GREEN TOWNSHIP, MADISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2006, with Gregory L. Valentine, Trustee. The official concurred with our findings.