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

EXAMINATION REPORT

OF

TOWN OF GREENS FORK

WAYNE COUNTY, INDIANA

January 1, 2006 to December 31, 2007

FILED

12/11/2008

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OFFICIALS

Office	Official	Term
Clerk-Treasurer	Brenda Moore	01-01-05 to 12-31-11
President of the Town Council	Buddy Strunk	01-01-06 to 12-31-11
Superintendent of Wastewater Utility	David Ozbun	01-01-06 to 12-31-06
	Doug Wheeler	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 THE TOWN OF GREENS FORK, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Greens Fork (Town), for the period of January 1, 2006 to December 31, 2007. The Town'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 Town 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.

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 required parts 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

November 5, 2008

TOWN OF GREENS FORK
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, 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:				
General	$ 17,798	$ 100,543	$ 91,312	$ 27,029
Motor Vehicle Highway	21,993	15,571	33,559	4,005
Local Road and Street	11,740	3,979	15,332	387
Water Deposit Fund	20,511	-	20,511	-
County Economic Development Tax (CEDIT)	6,495	7,156	5,000	8,651
Riverboat	7,025	2,335	4,220	5,140
Rainy Day	9,014	-	-	9,014
Local Law Enforcement Continuing Education	421	157	40	538
Cumulative Capital Improvement	3,817	1,325	-	5,142
Building Permit	4,698	895	1,044	4,549
Refuse Collection	-	1,111	-	1,111
Proprietary Funds:				
Wastewater Utility - Operating	24,249	117,062	120,770	20,541
Wastewater Utility - Bond and Interest	26,452	51,325	51,325	26,452
Wastewater Utility - Improvement	2,566	5,133	-	7,699
Wastewater Utility - Improvement 2	-	12,000	-	12,000
Wastewater Utility - Construction	2,903	30	-	2,933
Fiduciary Fund:				
Payroll	1,023	37,671	37,580	1,114
Totals	$ 160,705	$ 356,293	$ 380,693	$ 136,305

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	$ 27,029	$ 59,019	$ 60,477	$ 25,571
Motor Vehicle Highway	4,005	13,592	1,655	15,942
Local Road and Street	387	3,511	351	3,547
County Economic Development Tax (CEDIT)	8,651	6,853	-	15,504
Riverboat	5,140	2,339	-	7,479
Rainy Day	9,014	-	-	9,014
Local Law Enforcement Continuing Education	538	181	-	719
Cumulative Capital Improvement	5,142	1,304	-	6,446
Building Permit	4,549	775	824	4,500
Refuse Collection	1,111	17,290	14,930	3,471
Proprietary Funds:				
Wastewater Utility - Operating	20,541	106,530	118,729	8,342
Wastewater Utility - Bond and Interest	26,452	52,667	51,325	27,794
Wastewater Utility - Improvement	7,699	5,132	-	12,831
Wastewater Utility - Improvement 2	12,000		6,152	5,848
Wastewater Utility - Construction	2,933	30	-	2,963
Fiduciary Fund:				
Payroll	1,114	46,255	46,062	1,307
Totals	$ 136,305	$ 315,478	$ 300,505	$ 151,278

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

TOWN OF GREENS FORK
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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.

TOWN OF GREENS FORK
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 Town 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 Events

The Town was involved in both a sewer and water project for the Town. The sewer was constructed with Rural Development funding from the U.S. Department of Agriculture. The water project, which began in approximately 2001, never came to fruition. In short, in 2006, the Town and Rural Development determined, due to numerous factors, that the project could not go forward with the current level of support versus costs. This project involved Rural Development as well as Indiana Department of Rural Affairs, and various professionals (engineer, legal counsel, bond counsel, rate consultant or financial advisor, grant administrator, etc.). As a result of the project progressing so far without going to construction, the Town incurred relatively significant professional fees, the majority of which were engineering fees. The Town has worked to resolve these issues with the various professionals involved, but there remains a balance due to the engineering firm, Fanning & Howey, although there was disagreement as to the amount. This amount could range from $50,000 to $95,000.

TOWN OF GREENS FORK
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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	$ 18,273
Buildings	44,556
Machinery and equipment	87,496
Total governmental activities, capital assets not being depreciated	$ 150,325

Primary Government	Ending Balance
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	18,500
Buildings	198,750
Improvements other than buildings	1,537,896
Machinery and equipment	571,619
Total Wastewater Utility capital assets	2,326,765
Total business-type activities capital assets	$ 2,326,765

TOWN OF GREENS FORK
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
2003 Sewer Works	430,640	24,377
2004 Sewer Bonds	489,632	26,948
Total business-type activities debt:	$ 920,272	$ 51,325

ERRORS ON CLAIMS

Claims were not adequately itemized.

Currently the Council is using an unapproved Accounts Payable Voucher Register without the proper certification for the Allowance of Vouchers. It does not contain a place to indicate the number of pages or the total amount of vouchers allowed. Currently, the Council President is signing a certification that the invoice is true and correct and that the material or supplies were ordered and received. The fiscal officer and the other two Board members are signing the fiscal officer certification. The Board minutes do contain a motion to accept and pay claims with the fund name and the series of checks paid.

Revenue bond and interest payments were made by electronic funds transfers (EFTs) without an authorizing ordinance or resolution. A fully itemized accounts payable voucher/claim was not presented for approval by the Town Council nor maintained for audit.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

Indiana Code 5-11-10-1.6 states in part:

"(b) as used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

(1) there is a fully itemized invoice or bill for the claim;

(2) the invoice or bill is approved by the officer or person receiving the goods and services;

(3) the invoice or bill is filed with the governmental entity's fiscal officer;

(4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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 Cities and Towns, Chapter 7)

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APPROVAL OF FORMS

The Town of Greens Fork is using a computerized software system which generates the following forms. These forms have not been approved for use in lieu of prescribed forms:

- Balance Sheet
- Summary Trial Balance
- Detailed Trial Balance
- Accounts Payable Voucher
- Accounts Payable Voucher Register (which does not have the correct certifications for the signatures of the Governing Board)
- Accounts Payable Check Register
- Payroll Check Register
- Payroll Deductions Report
- Appropriations Report
- Billing Summary
- Aged Accounts Receivable

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 Cities and Towns, Chapter 7)

The State Board of Accounts is charged by law with the responsibility of prescribing and installing a system of accounting and reporting which shall be uniform for every public office and every public account of the same class. [Indiana Code 5-11-1-2] A prescribed form is one which is put into general use for all offices of the same class, whereas an approved form is for special use in a particular office. Cities and towns are required by law to use the forms prescribed by this department; however, if it is desirable to use a different form or to have a prescribed form modified to conform to local conditions, a letter and three copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed in use, other than a prescribed form, without prior approval. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

OFFICIAL BONDS

The following official bonds were not filed in the office of the County Recorder:

Clerk Treasurer
Town Marshal

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 employees 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."

TOWN OF GREENS FORK
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2008, with Brenda Moore, Clerk-Treasurer; and Buddy Strunk, President of the Town Council. The officials concurred with our findings.