

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

GREEN TOWNSHIP

MADISON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
09/08/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Greg Valentine	01-01-11 to 12-31-18
Chairman of the Township Board	Jerry Mangus	01-01-12 to 12-31-17



STATE OF INDIANA
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 accompanying financial statements of Green Township (Township), Madison County, for the period of January 1, 2012 to December 31, 2016. The Township's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. The nature, timing, and extent of the procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.


As discussed in Note 1 to the financial statements, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter described in the preceding paragraph, the financial statements for the period of January 1, 2012 to December 31, 2016, referred to above, do not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements for the period of January 1, 2012 to December 31, 2016, referred to above, present the financial position and results of operations of the Township based on the prescribed basis of accounting described in Note 1 to the financial statements, in all material respects.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

July 19, 2017

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

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GREEN TOWNSHIP, MADISON COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Township	\$ (29)	\$ 32,069	\$ 31,980	\$ 60	\$ 37,855	\$ 37,915	\$ -
Township Assistance	(5,552)	28,229	14,542	8,135	49,790	39,280	18,645
Fire Fighting	100,000	83,534	91,649	91,885	48,693	140,578	-
Rainy Day	150	-	-	150	-	-	150
Cumulative Fire	20,946	21,470	35,500	6,916	18,226	3,263	21,879
Totals	<u>\$ 115,515</u>	<u>\$ 165,302</u>	<u>\$ 173,671</u>	<u>\$ 107,146</u>	<u>\$ 154,564</u>	<u>\$ 221,036</u>	<u>\$ 40,674</u>

The notes to the financial statements are an integral part of this statement.

GREEN TOWNSHIP, MADISON COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ -	\$ 62,956	\$ 44,562	\$ 18,394	\$ 103,481	\$ 46,235	\$ 75,640
Township Assistance	18,645	17,108	39,547	(3,794)	33,677	30,708	(825)
Fire Fighting	-	47,899	100,181	(52,282)	249,280	180,478	16,520
Rainy Day	150	-	-	150	-	-	150
Cumulative Fire	21,879	18,778	-	40,657	18,519	-	59,176
Totals	<u>\$ 40,674</u>	<u>\$ 146,741</u>	<u>\$ 184,290</u>	<u>\$ 3,125</u>	<u>\$ 404,957</u>	<u>\$ 257,421</u>	<u>\$ 150,661</u>

The notes to the financial statements are an integral part of this statement.

GREEN TOWNSHIP, MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Township	\$ 75,640	\$ 29,248	\$ 53,438	\$ 51,450
Township Assistance	(825)	52,593	27,452	24,316
Fire Fighting	16,520	250,094	127,931	138,683
Rainy Day	150	12,103	-	12,253
Cumulative Fire	59,176	15,465	-	74,641
Emergency Fire Loan	-	<u>227,636</u>	<u>102,238</u>	<u>125,398</u>
Totals	<u>\$ 150,661</u>	<u>\$ 587,139</u>	<u>\$ 311,059</u>	<u>\$ 426,741</u>

The notes to the financial statements are an integral part of this statement.

GREEN TOWNSHIP, MADISON COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

GREEN TOWNSHIP, MADISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

GREEN TOWNSHIP, MADISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the Township to invest in securities including, but not limited to, the following: 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

OTHER INFORMATION - UNEXAMINED

The Township's Annual Financial Reports information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Township's Annual Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

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GREEN TOWNSHIP, MADISON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Totals
Cash and investments - beginning	\$ (29)	\$ (5,552)	\$ 100,000	\$ 150	\$ 20,946	\$ 115,515
Receipts:						
Taxes	24,401	23,204	47,251	-	18,650	113,506
Intergovernmental receipts	3,878	3,403	35,990	-	2,820	46,091
Other receipts	3,790	1,622	293	-	-	5,705
Total receipts	<u>32,069</u>	<u>28,229</u>	<u>83,534</u>	<u>-</u>	<u>21,470</u>	<u>165,302</u>
Disbursements:						
Personal services	14,753	2,153	-	-	-	16,906
Supplies	1,466	-	-	-	-	1,466
Other services and charges	15,761	12,389	91,649	-	-	119,799
Capital outlay	-	-	-	-	35,500	35,500
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>31,980</u>	<u>14,542</u>	<u>91,649</u>	<u>-</u>	<u>35,500</u>	<u>173,671</u>
Excess (deficiency) of receipts over disbursements	<u>89</u>	<u>13,687</u>	<u>(8,115)</u>	<u>-</u>	<u>(14,030)</u>	<u>(8,369)</u>
Cash and investments - ending	<u>\$ 60</u>	<u>\$ 8,135</u>	<u>\$ 91,885</u>	<u>\$ 150</u>	<u>\$ 6,916</u>	<u>\$ 107,146</u>

GREEN TOWNSHIP, MADISON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Totals
Cash and investments - beginning	\$ 60	\$ 8,135	\$ 91,885	\$ 150	\$ 6,916	\$ 107,146
Receipts:						
Taxes	22,523	22,860	45,137	-	18,137	108,657
Intergovernmental receipts	4,320	23,256	235	-	89	27,900
Fines and forfeits	378	-	-	-	-	378
Other receipts	<u>10,634</u>	<u>3,674</u>	<u>3,321</u>	<u>-</u>	<u>-</u>	<u>17,629</u>
Total receipts	<u>37,855</u>	<u>49,790</u>	<u>48,693</u>	<u>-</u>	<u>18,226</u>	<u>154,564</u>
Disbursements:						
Personal services	17,025	-	-	-	-	17,025
Supplies	895	-	-	-	-	895
Other services and charges	19,995	28,698	140,578	-	-	189,271
Other disbursements	<u>-</u>	<u>10,582</u>	<u>-</u>	<u>-</u>	<u>3,263</u>	<u>13,845</u>
Total disbursements	<u>37,915</u>	<u>39,280</u>	<u>140,578</u>	<u>-</u>	<u>3,263</u>	<u>221,036</u>
Excess (deficiency) of receipts over disbursements	<u>(60)</u>	<u>10,510</u>	<u>(91,885)</u>	<u>-</u>	<u>14,963</u>	<u>(66,472)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18,645</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 21,879</u>	<u>\$ 40,674</u>

GREEN TOWNSHIP, MADISON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	<u>Township</u>	<u>Township Assistance</u>	<u>Fire Fighting</u>	<u>Rainy Day</u>	<u>Cumulative Fire</u>	<u>Totals</u>
Cash and investments - beginning	\$ -	\$ 18,645	\$ -	\$ 150	\$ 21,879	\$ 40,674
Receipts:						
Taxes	42,951	-	43,020	-	16,865	102,836
Intergovernmental receipts	19,673	14,277	4,879	-	1,913	40,742
Other receipts	332	2,831	-	-	-	3,163
Total receipts	<u>62,956</u>	<u>17,108</u>	<u>47,899</u>	<u>-</u>	<u>18,778</u>	<u>146,741</u>
Disbursements:						
Personal services	18,192	-	-	-	-	18,192
Supplies	1,667	-	-	-	-	1,667
Other services and charges	24,703	39,547	100,181	-	-	164,431
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>44,562</u>	<u>39,547</u>	<u>100,181</u>	<u>-</u>	<u>-</u>	<u>184,290</u>
Excess (deficiency) of receipts over disbursements	<u>18,394</u>	<u>(22,439)</u>	<u>(52,282)</u>	<u>-</u>	<u>18,778</u>	<u>(37,549)</u>
Cash and investments - ending	<u>\$ 18,394</u>	<u>\$ (3,794)</u>	<u>\$ (52,282)</u>	<u>\$ 150</u>	<u>\$ 40,657</u>	<u>\$ 3,125</u>

GREEN TOWNSHIP, MADISON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	<u>Township</u>	<u>Township Assistance</u>	<u>Fire Fighting</u>	<u>Rainy Day</u>	<u>Cumulative Fire</u>	<u>Totals</u>
Cash and investments - beginning	\$ 18,394	\$ (3,794)	\$ (52,282)	\$ 150	\$ 40,657	\$ 3,125
Receipts:						
Taxes	44,577	-	44,364	-	16,672	105,613
Intergovernmental receipts	5,405	30,068	4,916	-	1,847	42,236
Other receipts	53,499	3,609	200,000	-	-	257,108
Total receipts	<u>103,481</u>	<u>33,677</u>	<u>249,280</u>	<u>-</u>	<u>18,519</u>	<u>404,957</u>
Disbursements:						
Personal services	23,388	-	-	-	-	23,388
Supplies	1,180	150	830	-	-	2,160
Other services and charges	21,467	30,558	129,648	-	-	181,673
Other disbursements	200	-	50,000	-	-	50,200
Total disbursements	<u>46,235</u>	<u>30,708</u>	<u>180,478</u>	<u>-</u>	<u>-</u>	<u>257,421</u>
Excess (deficiency) of receipts over disbursements	<u>57,246</u>	<u>2,969</u>	<u>68,802</u>	<u>-</u>	<u>18,519</u>	<u>147,536</u>
Cash and investments - ending	<u>\$ 75,640</u>	<u>\$ (825)</u>	<u>\$ 16,520</u>	<u>\$ 150</u>	<u>\$ 59,176</u>	<u>\$ 150,661</u>

GREEN TOWNSHIP, MADISON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Emergency Fire Loan	Totals
Cash and investments - beginning	\$ 75,640	\$ (825)	\$ 16,520	\$ 150	\$ 59,176	\$ -	\$ 150,661
Receipts:							
Taxes	24,822	16,483	39,265	-	13,628	205,481	299,679
Intergovernmental receipts	3,354	31,841	5,297	12,103	1,837	22,155	76,587
Other receipts	1,072	4,269	205,532	-	-	-	210,873
Total receipts	<u>29,248</u>	<u>52,593</u>	<u>250,094</u>	<u>12,103</u>	<u>15,465</u>	<u>227,636</u>	<u>587,139</u>
Disbursements:							
Personal services	16,893	-	-	-	-	-	16,893
Supplies	1,695	-	-	-	-	-	1,695
Other services and charges	34,850	27,452	127,931	-	-	-	190,233
Debt service - principal and interest	-	-	-	-	-	102,238	102,238
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>53,438</u>	<u>27,452</u>	<u>127,931</u>	<u>-</u>	<u>-</u>	<u>102,238</u>	<u>311,059</u>
Excess (deficiency) of receipts over disbursements	<u>(24,190)</u>	<u>25,141</u>	<u>122,163</u>	<u>12,103</u>	<u>15,465</u>	<u>125,398</u>	<u>276,080</u>
Cash and investments - ending	<u>\$ 51,450</u>	<u>\$ 24,316</u>	<u>\$ 138,683</u>	<u>\$ 12,253</u>	<u>\$ 74,641</u>	<u>\$ 125,398</u>	<u>\$ 426,741</u>

GREEN TOWNSHIP, MADISON COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 12,846</u>	<u>\$ -</u>

GREEN TOWNSHIP, MADISON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	2015 Emergency Fire Loan	\$ 100,397	\$ 102,245
General obligation bonds	2016 Emergency Fire Loan	<u>200,000</u>	<u>102,216</u>
Totals		<u>\$ 300,397</u>	<u>\$ 204,461</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.