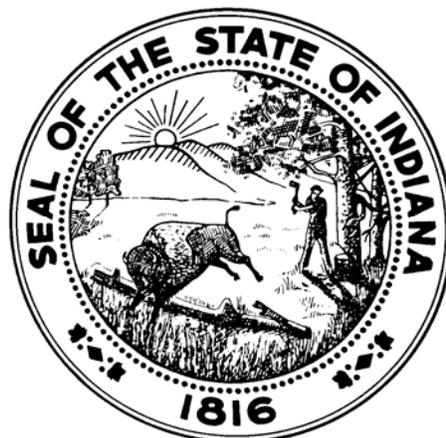


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
UNION TOWNSHIP
WHITE COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
11/06/2006

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OFFICIALS

Office

Official

Term

Trustee

Erwin Bernie Cook

01-01-03 to 12-31-06

Chairman of the
Township Board

Robert Hickman

01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION TOWNSHIP, WHITE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Union 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

October 3, 2006

UNION TOWNSHIP, WHITE 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	\$ 2,767	\$ 65,048	\$ 48,311	\$ 19,504
Dog	616	332	316	632
Township Assistance	7,251	56,401	39,299	24,353
Firefighting	26,770	158,065	117,964	66,871
Rainy Day	-	16,753	-	16,753
	<u>37,404</u>	<u>296,599</u>	<u>205,890</u>	<u>128,113</u>
Totals	<u>\$ 37,404</u>	<u>\$ 296,599</u>	<u>\$ 205,890</u>	<u>\$ 128,113</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 19,504	\$ 49,088	\$ 50,630	\$ 17,962
Dog	632	349	332	649
Township Assistance	24,353	44,746	48,138	20,961
Firefighting	66,871	114,858	106,419	75,310
Rainy Day	16,753	-	-	16,753
Cumulative Fire	-	73,904	26,411	47,493
	<u>128,113</u>	<u>282,945</u>	<u>231,930</u>	<u>179,128</u>
Totals	<u>\$ 128,113</u>	<u>\$ 282,945</u>	<u>\$ 231,930</u>	<u>\$ 179,128</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, WHITE 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, 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.

Note 6. Long-Term Debt

The Township has entered into debt such as a capital lease for a Fire Pumper Truck. The outstanding principal at December 31, 2005, was \$147,977.

UNION TOWNSHIP, WHITE COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Firefighting Fund	2004	<u>\$ 6,964</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

Erwin Bernie Cook, Trustee, overpaid his salary per the 2005 budget approved by Township Board by \$10.50. The Township was reimbursed on October 4, 2006.

A W-2 was issued in 2005 to Erwin Bernie Cook, Trustee, for \$16,897 when total salary payments in 2005 were \$16,997.50.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

UNION TOWNSHIP, WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2006, with Erwin Bernie Cook, Trustee. The official concurred with our findings.