

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

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



**FILED**  
01/16/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Eugenia Robinson Phyllis Kleeman Brenda J. Sollman	10-01-03 to 05-31-04 06-01-04 to 09-30-05 10-01-05 to 12-31-06
Chairman of the Township Board	Steve Kleeman	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, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2004 to December 31, 2005. 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, 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

December 13, 2006

UNION TOWNSHIP, GIBSON 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Township	\$ 76,701	\$ 36,990	\$ 31,564	\$ 82,127
Dog	392	-	92	300
Township Assistance	37,225	14,934	17,919	34,240
Firefighting	122,332	109,601	106,439	125,494
Park and Recreation	2,702	4,299	3,359	3,642
Levy Excess	1,299	-	-	1,299
Cumulative Fire	104,076	33,251	64,437	72,890
Fiduciary Fund:				
Payroll Withholdings	530	-	530	-
Totals	<u>\$ 345,257</u>	<u>\$ 199,075</u>	<u>\$ 224,340</u>	<u>\$ 319,992</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 82,127	\$ 33,990	\$ 41,183	\$ 74,934
Dog	300	196	44	452
Township Assistance	34,240	16,149	29,042	21,347
Firefighting	125,494	111,603	155,136	81,961
Park and Recreation	3,642	4,129	4,591	3,180
Levy Excess	1,299	3,887	1,299	3,887
Cumulative Fire	72,890	33,926	33,782	73,034
Totals	<u>\$ 319,992</u>	<u>\$ 203,880</u>	<u>\$ 265,077</u>	<u>\$ 258,795</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, GIBSON 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.

UNION TOWNSHIP, GIBSON 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	2005	\$ 6,686
Park and Recreation	2005	91

A similar comment was contained in the prior examination report.

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."

BOARD OF FINANCE

The minutes presented for examination did not contain information related to the annual meeting of the board of finance or the election of officers to the board of finance.

Indiana Code 5-13-7-6(a) states in part: "Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . Elect, from the board's membership . . . a president; and a secretary . . . The officers elected hold office until the officers' successors are elected and qualified."

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of all funds for Union Township for the examination period. Most of the records of Union Township were destroyed by fire on March 19, 2006. The following records were presented for examination: 2004 and 2005 Annual Reports, most of the Township Board minutes for the examination period, 2004 cancelled checks, 2005 W-2's and 1099's, 2004 and 2005 budgets and approved budget orders, bank statements through October 2006.

Some examination steps could not be completed due to the lack of documentation; however, financial statements which reconcile to the bank were prepared.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

UNION TOWNSHIP, GIBSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2006, with Brenda Sollman, Trustee.  
The official concurred with our findings.