

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

EXAMINATION REPORT  
OF  
UNION TOWNSHIP  
PORTER COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
04/19/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information.....	5
Examination Results and Comments:	
Payments for Cemetery Care .....	6
Financial and Appropriation Record (Form 1C).....	6
Exit Conference.....	7
Official Response .....	8-11

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Michael Kibler Anthony Pampalone	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Anthony Pampalone Timothy Vojslavek	01-01-05 to 12-31-06 01-01-07 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 5, 2007

UNION TOWNSHIP, PORTER COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 23,794	\$ 41,586	\$ 51,880	\$ 13,500
Dog	1,165	243	865	543
Township Assistance	4,828	11,446	5,618	10,656
Firefighting	60,402	198,206	181,168	77,440
Park and Recreation	333	2,217	1,321	1,229
Park Donation	1,283	-	1,283	-
Food Pantry Donation	952	501	-	1,453
Cumulative Fire	<u>107,139</u>	<u>95,655</u>	<u>77,628</u>	<u>125,166</u>
Totals	<u>\$ 199,896</u>	<u>\$ 349,854</u>	<u>\$ 319,763</u>	<u>\$ 229,987</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 13,500	\$ 49,522	\$ 31,245	\$ 31,777
Dog	543	425	243	725
Township Assistance	10,656	1,596	3,858	8,394
Firefighting	77,440	188,774	190,219	75,995
Park and Recreation	1,229	948	1,547	630
Levy Excess	-	2,049	-	2,049
Food Pantry Donation	1,453	600	-	2,053
Cumulative Fire	<u>125,166</u>	<u>88,402</u>	<u>155,231</u>	<u>58,337</u>
Totals	<u>\$ 229,987</u>	<u>\$ 332,316</u>	<u>\$ 382,343</u>	<u>\$ 179,960</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, PORTER 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.

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 a capital lease for a fire truck. The outstanding principal at December 31, 2006, was \$180,655.

UNION TOWNSHIP, PORTER COUNTY  
EXAMINATION RESULTS AND COMMENTS

PAYMENTS FOR CEMETERY CARE

The Township provides mowing of three cemeteries in the Township. One cemetery is abandoned, one has an association that sells plots, and the final one has an unofficial association that sells cemetery plots but the cemetery is in the name of the Township. A similar comment appeared in the prior report.

The township trustee is not authorized to maintain cemeteries owned or controlled by cities or towns or by a cemetery association. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 8)

FINANCIAL AND APPROPRIATION RECORD (FORM 1C)

The Financial and Appropriation Record (Form 1C) was not completed for the examination period. Thus, verification that actual disbursements did not exceed approved appropriations by major budget classification could not be performed. A similar comment appeared in the prior report.

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, PORTER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2007, with Anthony Pampalone, Trustee; and sent to the former Trustee, Michael Kibler. The official response has been made a part of this report and may be found on pages 8 through 11.

April 5, 2007

Bruce Hartman  
State Examiner  
State Board of Accounts  
155 Indiana Avenue  
Valparaiso, IN 46383

Dear Mr. Hartman

This letter was improperly addressed to Christy Spritz in February 2007. Mary Joe Small recommended that I address my response to you.

I wish to file an official response to the Union Township examination results and comment applicable to the audit performed on Township for the years 2005 and 2006.

1. Payments for cemetery care As noted in a prior audit and this audit, the township is maintaining a cemetery which is owned or controlled by a cemetery association. I had addressed this issue with the manager of the Blachly cemetery association in early 2004. After researching the issue, Mr. Blachly who is an attorney responded that the township is responsible for maintaining the Blachly cemetery because of the reasons shown in his letter to me on May 21, 2004. At the time of the prior audit, I included Mr. Blachly's response to Ms. Orlep who conducted the prior audit. I have included his response in my filing.
2. Financial and appropriation record (form 1c) After reviewing a contemporaneous spreadsheet maintained during the years 2005 and 2006, I can positively say that the township was never in a negative cash position in any fund at anytime during the audit years.

Michael Kibler  
Union Township  
Trustee for the audit period 2005 and 2006

**Bingham • McHale** LLP  
a t t o r n e y s   a t   l a w

David G. Blachly  
Attorney  
Direct: 317.968.5359  
dblachly@binghamchale.com

May 21, 2004

***VIA U.S. MAIL and E-MAIL***

Mr. Michael Kibler  
Union Township Trustee  
334 West U.S. Highway 30  
Valparaiso, Indiana 46383

Re: Blachly Cemetery

Dear Michael:

The Indiana general cemetery law (Ind. Code §§23-14-33 through 23-14-76) applies to all cemeteries located within Indiana, except as otherwise provided therein. Ind. Code §23-14-33-2. Owners of cemeteries are required to create and establish an irrevocable perpetual care fund, the income of which is to be used to properly maintain the cemetery grounds and graves, including cutting the grass on and raking and clearing cemetery plots at reasonable intervals, pruning shrubs and trees, keeping and maintaining the equipment necessary to do so, and repairing and maintaining the cemetery's infrastructure. Ind. Code §§23-14-48-2, 23-14-33-30. The statutory provisions requiring the creation, establishment and use of an irrevocable perpetual care fund do not, however, apply to a cemetery:

- "(A) that is ten (10) acres or less in size;
- (B) that is owned and operated entirely and exclusively by a non-profit mutual association in existence on June 14, 1939; and
- (C) in which burials have taken place before June 14, 1939."

Ind. Code §23-14-48-1(a)(3).

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Mr. Michael Kibler  
May 21, 2004  
Page 2

The Blachly Cemetery is approximately 2.25 acres in size. It has, as I understand it, been owned and operated entirely and exclusively, since the turn of the 20<sup>th</sup> century, by Blachly Cemetery Association (a non-profit mutual association) or its predecessors. Burials have taken place in the cemetery since the early to mid-1800s.

Indiana township trustees are required to locate and maintain all cemeteries within their township that:

- "(1) [are] without funds for maintenance
- (2) [were] in existence on February 28, 1939; and
- (3) [are] operated by a nonprofit organization or [are] not managed by any viable organization."

Ind. Code §23-14-68-1(a). This duty does not apply to cemeteries located on land in which property taxes are assessed and paid. Ind. Code §23-14-68-1(b).<sup>1</sup>

All townships are to appropriate sufficient monies to provide for the care, repair and maintenance of each cemetery described in Ind. Code §23-14-68-1(a), and may levy a township cemetery tax to create a fund to do so. Ind. Code §23-14-68-4. Maintenance includes:

- "(1) Resetting and straightening all monuments.
- (2) Leveling and seeding the ground.
- (3) Constructing fences when there are none and repairing existing fences.
- (4) Destroying and cleaning up detrimental plants (as defined in I.C. 15-3-4-1), noxious weeds, and rank vegetation."

Ind. Code §23-14-68-3.

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<sup>1</sup> The Blachly Cemetery is exempt from the Indiana real property tax.

# Bingham ● McHale<sup>LLP</sup>

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Mr. Michael Kibler

May 21, 2004

Page 3

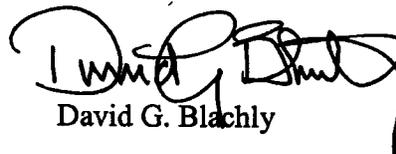
The Blachly Cemetery was founded by Dr. William Boyd Blachly (b. 7-25-1771, d. 10-3-1843), one of the original settlers in Union Township. It has, at all times since its founding, been used by families in the neighborhood of the cemetery. Over the years, some of those families have left Union Township, and yet the descendents of those families have continued to enjoy privileges in the cemetery upon request. To date, the original intent of a country cemetery for neighborhood families and their descendents has been maintained. The Blachly Cemetery is the final resting place of Civil War veterans, veterans of subsequent wars, a former U.S. Congressman, and other neighbors with deep roots in your community.

Blachly Cemetery Association records evidence that the cemetery grounds have been maintained by the Union Township Trustee at all times during, at least, the last thirty (30) years. From time to time during that period, contributions have been solicited from members of the Cemetery Association only for the purpose of paving and maintaining the driveway, replacing the chain link fence, installing signage and other similar capital projects. The Cemetery Association has never expended funds for any purpose other than capital or beautification projects and bank service fees. The Cemetery Association does maintain a non-interest bearing checking account; the balance of which has been, historically, rather nominal.

In sum, the Indiana general cemetery law requires that township trustees maintain facilities such as the Blachly Cemetery. Accordingly, on behalf of the Blachly Cemetery Association, I'd like to thank you for the past commitment of your office to this cemetery, and we hope we can look forward to your future cooperation and assistance.

If you have any questions with respect to this matter, please do not hesitate to call me.

Very truly yours,



David G. Blachly

DGB/jp

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