

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
MIAMI COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
05/13/2008

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OFFICIALS

Office

Official

Term

Trustee

Jerry L. Carson

01-01-03 to 12-31-10

Chairman of the
Township Board

William Clemons

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 13, 2008

UNION TOWNSHIP, MIAMI 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 1,413	\$ 12,309	\$ 8,364	\$ 5,358
Dog	(19)	31	-	12
Township Assistance	10,732	3,402	972	13,162
Firefighting	10,650	19,036	9,485	20,201
Levy Excess	2,460	1,867	2,460	1,867
Fiduciary Fund:				
Cemetery Endowment	1,153	40	150	1,043
Totals	<u>\$ 26,389</u>	<u>\$ 36,685</u>	<u>\$ 21,431</u>	<u>\$ 41,643</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 5,358	\$ 5,821	\$ 7,557	\$ 3,622
Dog	12	-	12	-
Township Assistance	13,162	1,068	522	13,708
Firefighting	20,201	5,462	9,896	15,767
Levy Excess	1,867	811	1,867	811
Fiduciary Fund:				
Cemetery Endowment	1,043	40	-	1,083
Totals	<u>\$ 41,643</u>	<u>\$ 13,202</u>	<u>\$ 19,854</u>	<u>\$ 34,991</u>

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

UNION TOWNSHIP, MIAMI 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.

UNION TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE

A comparison of the records to the bank account indicated cash necessary to balance of \$31 which is the amount of dog tax collected in 2006 which was posted to the ledger but never deposited. A similar comment was made in prior Reports B20569 and B27338. We requested that Jerry L. Carlson, Trustee, deposit \$31 into the Township's bank account. This amount was deposited by the Trustee on February 16, 2008. (See Summary, page 10)

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustee shall be deposited in the designated depository on or before the first and fifteenth day of each month."

BANK RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented to audit. A similar comment was made in prior Reports B20569 and B27338.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 13)

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee accumulated as many as four months of County Option Income Tax distributions before making a deposit. A similar comment was made in prior Reports B20569 and B27338.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

MILEAGE REIMBURSEMENT

The Trustee was reimbursed for mileage equal to budgeted amount for 2006 and 2007. Mileage Claim, General Form 101, was not filed to support the mileage reimbursed.

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)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PAYMENT FOR CEMETERY CARE

Supporting documentation, agreements or contracts for payments for cemetery care were not presented for audit. A similar comment was made in prior Reports B20569 and B27338.

Payments made or received for contractual services should be supported by written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 13)

PAYROLL DEDUCTIONS

Payments to some employees were made without payroll deductions for taxes. A similar comment was made in prior Reports B20569 and B27338.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

The Township paid \$600 or more for Cemetery Care to individuals during 2006 and 2007. No federal Form 1099's was issued for these payments as required by the Internal Revenue Service.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indian Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2008, with Jerry L. Carlson, Trustee. The official concurred with our findings.

UNION TOWNSHIP, MIAMI COUNTY
SUMMARY

	Charges	Credits	Balance Due
Jerry L. Carlson, Trustee:			
Cash Necessary to Balance, page 6	\$ 31	\$	\$
Repaid February 16, 2008		31	-
 Totals	\$ 31	\$ 31	\$ -