

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

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



**FILED**  
01/16/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Mary Lana Livengood Sean Lucas	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Larry Reeder	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION TOWNSHIP, PARKE 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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 17, 2008

UNION TOWNSHIP, PARKE 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	\$ 2,033	\$ 63,726	\$ 37,454	\$ 28,305
Dog	553	165	143	575
Township Assistance	130	15,265	3,400	11,995
Firefighting	6,355	12,903	19,288	(30)
Levy Excess	157	-	-	157
Fire Debt	33,372	63,958	66,445	30,885
Fiduciary Fund:				
Payroll Withholdings	1,401	-	-	1,401
Totals	<u>\$ 44,001</u>	<u>\$ 156,017</u>	<u>\$ 126,730</u>	<u>\$ 73,288</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 28,305	\$ 77,236	\$ 23,971	\$ 81,570
Dog	575	-	575	-
Township Assistance	11,995	5,246	2,117	15,124
Firefighting	(30)	13,376	13,311	35
Levy Excess	157	-	157	-
Fire Debt	30,885	65,647	66,445	30,087
Fiduciary Fund:				
Payroll Withholdings	1,401	918	-	2,319
Totals	<u>\$ 73,288</u>	<u>\$ 162,423</u>	<u>\$ 106,576</u>	<u>\$ 129,135</u>

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

UNION TOWNSHIP, PARKE 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, 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 6-1.1-17-6) 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, PARKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 186,666	\$ 66,443

UNION TOWNSHIP, PARKE COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369. A similar comment was included in the prior report.

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 Ledger 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)

CONTRACTS

Records presented for examination indicate payments were made to several individuals for mowing cemeteries in 2006 and 2007 without a contract. The fire contracts with J.U.G.A. Volunteer Fire Department for 2006 and 2007 did not state the amount to be paid to the fire department.

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

TOWNSHIP ASSISTANCE APPLICATIONS

Eight township assistance applications did not show evidence of investigation.

Indiana Code 12-20-6-9 states: "The township trustee shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn in 2006.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

DISBURSEMENT DOCUMENTATION

Six payments did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2006	\$ 12,554
Township Assistance	2006	5,265

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."

UNION TOWNSHIP, PARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 17, 2008, with Sean Lucas, Trustee. The official concurred with our findings.