

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

EXAMINATION REPORT  
OF  
UNION TOWNSHIP  
DELAWARE COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
12/29/2009



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OFFICIALS

Office

Official

Term

Trustee

Mark Clawson

01-01-07 to 12-31-10

Chairman of the  
Township Board

Scott Johnson  
Glen Schwer

01-01-07 to 12-31-07  
01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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 23, 2009

UNION TOWNSHIP, DELAWARE 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 17,195	\$ 20,334	\$ 15,832	\$ 21,697
Dog	318	-	-	318
Township Assistance	19,837	11,322	18,986	12,173
Firefighting	48,068	17,672	12,605	53,135
Rainy Day	989	-	-	989
Levy Excess	1,771	198	-	1,969
Cumulative Fire	7,421	9,951	7,422	9,950
Fiduciary Fund:				
Payroll Withholdings	-	548	548	-
Totals	<u>\$ 95,599</u>	<u>\$ 60,025</u>	<u>\$ 55,393</u>	<u>\$ 100,231</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 21,697	\$ 11,535	\$ 16,366	\$ 16,866
Dog	318	-	318	-
Township Assistance	12,173	11,691	12,610	11,254
Firefighting	53,135	11,310	10,121	54,324
Rainy Day	989	144	-	1,133
Levy Excess	1,969	-	-	1,969
Cumulative Fire	9,950	5,843	9,900	5,893
Fiduciary Fund:				
Payroll Withholdings	-	548	548	-
Totals	<u>\$ 100,231</u>	<u>\$ 41,071</u>	<u>\$ 49,863</u>	<u>\$ 91,439</u>

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

UNION TOWNSHIP, DELAWARE 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. Property tax collections were delayed in 2008 due to reassessment delays resulting in the second installment for 2008 not payable until January 10, 2009 and not distributed until March 31, 2009.

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, DELAWARE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loan payable	\$ 37,700	\$ 20,021

UNION TOWNSHIP, DELAWARE COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Capital asset records presented for examination did not include any equipment for the fire department. A material portion of the capital assets were not included in the capital asset records.

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 Assets Ledger. 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 indicated payments were made for mowing in 2008, that were in excess of the contract. An invoice was received for extra work that had been done outside of the contract and included \$273.94 for reimbursement of gasoline used for the mowing. The contract did not provide for reimbursement for gasoline.

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)

SALES TAX

Sales tax was paid for some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination revealed that the Trustee was not paying some bills until after the due date which resulted in the Township paying late fees. The Trustee was requested to repay the \$14.06 of penalties paid which were incurred since the prior examination exit conference. (See Summary, page 10)

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, DELAWARE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

POLITICAL EXPENDITURES

The Trustee purchased T-Shirts in 2008, from Main Street Apparel for \$167.46 that were used for political purposes. We are requesting that the Trustee reimburse the Township \$167.46 for the cost of the shirts. (See Summary, page 10)

Expenditures for political purposes, contributions to political campaigns, directly or indirectly, which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

Several deposits were not made by the first or the fifteenth day of the month following the date the check was issued. There were deposits noted where there were 61 days between the date the check was issued and the date the check was deposited.

IC 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."

PUBLIC RECORDS RETENTION

Township Assistance Application records were not presented for examination for all disbursements paid from the Township Assistance Fund.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

UNION TOWNSHIP, DELAWARE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 23, 2009, with Mark Clawson, Trustee. The official concurred with our findings.

UNION TOWNSHIP, DELAWARE COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Mark Clawson, Trustee:			
Penalties, Interest, and Other Charges, page 7	\$ 14.06	\$	\$
Political Expenditures, page 8	167.46		
Paid December 18, 2009	<u>                    </u>	<u>181.52</u>	<u>                    -</u>
 Totals	 <u>\$ 181.52</u>	 <u>\$ 181.52</u>	 <u>\$ -</u>