

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

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



FILED
05/17/2010

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OFFICIALS

Office

Official

Term

Trustee

Sherian Morris

01-01-03 to 12-31-10

Chairman of the
Township Board

Bettye Evans

01-01-07 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, LAPORTE 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.

STATE BOARD OF ACCOUNTS

April 12, 2010

UNION TOWNSHIP, LAPORTE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 4,062	\$ 34,255	\$ 32,657	\$ 5,660
Dog	796	268	1,064	-
Township Assistance	(2,742)	36,035	27,713	5,580
Firefighting	6,644	23,989	26,500	4,133
Cumulative Fire	23,872	9,512	6,000	27,383
Levy Excess	2,501	2,501	5,002	-
Totals	<u>\$ 35,132</u>	<u>\$ 106,560</u>	<u>\$ 98,936</u>	<u>\$ 42,757</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 5,660	\$ 21,603	\$ 32,986	\$ (5,722)
Dog	-	-	-	-
Township Assistance	5,580	28,491	36,398	(2,327)
Firefighting	4,133	36,865	26,500	14,499
Cumulative Fire	27,383	8,108	-	35,491
Levy Excess	-	-	-	-
Totals	<u>\$ 42,757</u>	<u>\$ 95,067</u>	<u>\$ 95,884</u>	<u>\$ 41,941</u>

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

UNION TOWNSHIP, LAPORTE 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.

UNION TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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. Subsequent Event

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Township. It is undeterminable how much property tax collections the Township will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Township received their distribution on February 11, 2010.

UNION TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The General Fund and Township Assistance Fund were overdrawn in 2008, by \$5,722.45 and \$2,326.83, respectively.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLAIMS

A review of the invoices revealed mileage payments do not contain proper documentation. The amount claimed is consistently \$65, but occasionally will be slightly more or less.

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)

IC 36-6-8-3 concerning a township trustee's mileage reimbursement provides in part (b): "The township executive is entitled to a sum of mileage in the performance of official duties equal to the sum per mile paid to state officers and employees. . . ." Township personnel should use General Form 101, Mileage Claim, for any civil township purposes. (Township Bulletin and Uniform Compliance Guidelines, Volume 250, August 2000)

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)

ORGANIZATION OF THE BOARD

The Township Board failed to reorganize at the beginning of 2008.

IC 36-6-6-7(a) states: "The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chairman for that year and one (1) member as secretary for that year."

CAPITAL ASSET RECORDS

The Township does not maintain proper 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 Asset 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)

UNION TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Sherian Morris, Trustee. The official concurred with our findings.