



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B44295

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October 16, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Union Township (Township), for the period of January 1, 2011 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Unresolved Comments From Prior Report***

- *Township employees were paid salaries and wages in 2011 in which required tax deductions were not withheld.*


***Current Period Comments***

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*
- *The 2011 Annual Financial Report contained errors. The Township did not include a transfer of \$1,875 from the Township fund to the Rainy Day fund in the receipt and disbursement activity. This resulted in the cash balance at December 31, 2011, for the Township fund being overstated by \$1,875 and the Rainy Day fund not being reported in the Annual Financial Report at all.*

- *The amount transferred from the Township fund to the Rainy Day fund in 2011 exceeded the allowable amount by \$975.*
- *W-2 tax forms for 2011 were not presented for review. Therefore, we were not able to verify proper reporting of wages and withholdings for 2011.*
- *Salary resolutions were not adopted for 2011 or 2013. Additionally, the Board minutes did not indicate approved salary amounts and the budget information presented did not provide detailed information about salaries and wages. Therefore, we could not verify the salaries and wages paid during 2011 and 2013 were the proper amounts.*
- *The spouse of the Trustee is employed as a Township clerk and has a cemetery maintenance contract with the Township. No evidence that a Conflict of Interest Statement was filed.*
- *Board minutes did not indicate approval of Township Assistance Standards and no written standards were provided. Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on June 4, 2014, with Mary Katherine Foreman, Trustee.

  
Paul D. Joyce, CPA  
State Examiner