



STATE OF INDIANA
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B47685

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February 9, 2017

TO: THE OFFICIALS OF UNION TOWNSHIP, RANDOLPH 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, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States of America. 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 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

- *The Annual Financial Report (AFR) filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.*

Years	Fund	Category	Amount per AFR	Amount per District Ledger	Difference
2012	Fire	Receipts	\$ -	\$ 328	\$(328)
2012	Township	Receipts	-	25,139	(25,139)
2012	Township Assistance	Receipts	-	14,159	(14,159)
2012	Fire	Disbursements	-	1,467	(1,467)
2012	Township	Disbursements	-	31,541	(31,541)
2012	Township Assistance	Disbursements	-	9,559	(9,559)
2012	Fire	Ending Balance	139,364	138,226	1,138
2012	Township	Ending Balance	62,305	55,910	6,395
2012	Township Assistance	Ending Balance	77,471	82,071	(4,600)
2013	Fire	Beginning Balance	139,364	138,226	1,138
2013	Township	Beginning Balance	62,305	55,910	6,395
2013	Township Assistance	Beginning Balance	77,471	82,071	(4,600)
2013	Fire	Receipts	208,672	-	208,672
2013	Township	Receipts	25,664	205,005	(179,341)
2013	Township Assistance	Receipts	13,647	13,098	549
2013	Fire	Disbursements	46,200	31,726	14,474

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per District Ledger</u>	<u>Difference</u>
2013	Township	Disbursements	\$ 46,589	\$ 44,916	\$ 1,673
2013	Township Assistance	Disbursements	14,531	8,631	5,900
2013	Fire	Ending Balance	301,836	106,500	195,336
2013	Township	Ending Balance	41,380	215,991	(174,611)
2013	Township Assistance	Ending Balance	76,586	86,537	(9,951)
2014	Fire	Beginning Balance	301,836	106,500	195,336
2014	Township	Beginning Balance	41,380	215,991	(174,611)
2014	Township Assistance	Beginning Balance	76,586	86,537	(9,951)
2014	Fire	Receipts	16,671	100,000	(83,329)
2014	Township	Receipts	23,873	42,058	(18,185)
2014	Township Assistance	Receipts	12,752	12,634	118
2014	Fire	Disbursements	21,985	-	21,985
2014	Township	Disbursements	29,584	154,299	(124,715)
2014	Township Assistance	Disbursements	7,940	7,879	61
2014	Fire	Ending Balance	296,521	206,500	90,021
2014	Township	Ending Balance	35,669	103,750	(68,081)
2014	Township Assistance	Ending Balance	81,398	91,292	(9,894)
2015	Fire	Beginning Balance	296,521	206,500	90,021
2015	Township	Beginning Balance	35,669	103,750	(68,081)
2015	Township Assistance	Beginning Balance	81,398	91,292	(9,894)
2015	Township	Receipts	-	45,965	(45,965)
2015	Township Assistance	Receipts	-	8,496	(8,496)
2015	Fire	Disbursements	24,175	20,000	4,175
2015	Township	Disbursements	36,678	61,030	(24,352)
2015	Township Assistance	Disbursements	4,573	4,718	(145)
2015	Fire	Ending Balance	272,346	186,500	85,846
2015	Township	Ending Balance	(1,009)	88,685	(89,694)
2015	Township Assistance	Ending Balance	76,825	95,071	(18,246)

- Receipts were deposited later than the first and fifteenth of the month in 20 of the 48 months reviewed.

Current Period Comments

- Depository reconciliations of the fund balances to the bank account balances were not completed for the months of July 2015 through December 2015.
- Investment transactions and balances were not recorded on the Township Financial and Appropriation Record (Ledger).
- Receipts were not properly posted to the Township Ledger. County tax distributions to the Fire fund were incorrectly posted to the Township fund. The amounts were \$43,503 in 2013; \$16,293 in 2014; and \$240 in 2015.
- Disbursement transactions were not recorded in the appropriate "Fund Appropriations" columns on the Ledger.
- The records presented for review indicated the following disbursements in excess of budgeted appropriations:


<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire	\$ 1,467
2013	Township	10,416
2014	Township	19,389
2015	Township	31,030

- Township Board approvals of salaries were not presented for review.

- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The AFR for 2013 was not filed electronically until June 3, 2014, which was 94 days past the due date.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2015. The report was filed on February 22, 2016, which was 22 days past the due date.*
- *The Township did not have a Nepotism Policy for 2012, 2013, 2014, and 2015.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, and 2015.*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, and 2015.*
- *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, 2013, 2014, and 2015.*

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 May 19, 2016, with Robert J. Smith, Trustee. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner