



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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November 13, 2023

TO: THE OFFICIALS OF UNION TOWNSHIP, MONTGOMERY 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), Montgomery County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comment contained herein describe the identified reportable instance 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.

***Comments***

***ANNUAL FINANCIAL REPORT***

***Condition and Context***

The Township's Annual Financial Report for 2019 reported \$700,000 less in cash and investments for the Cumulative Fire Fund than cash and investments recorded in the Township ledger.

***Criteria***

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

## **ADOPTION OF INTERNAL CONTROL STANDARDS**

### *Condition and Context*

The Township had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

### *Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

## **TRAINING ON INTERNAL CONTROL STANDARDS**

The same comment appeared in prior Report B55053.

### *Condition and Context*

Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

### *Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

## **CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The same comment appeared in prior Report B55053.

### *Condition and Context*

The Township certified on the Indiana Gateway for Government Units financial reporting system that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, during the engagement, the Township could not provide supporting documentation showing the adoption of the minimum internal control standards.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
Township Fund	\$ 1,209,396
Recreation Fund	260,336
Township Assistance	231,825
Fire Fighting Fund	258,665
Rainy Day Fund	73,647
Cumulative Fire Fund	3,500,205
Cemetary Fund	113,398
Payroll Deductions	<u>1,685</u>
Total	<u>\$ 5,649,157</u>

Any Official Response to the Comment, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Aaron Morgan, Trustee; Sally Molin, former Trustee; Linda Chesterton, Bookkeeper; and Alan Plunkett, Township Board member, on October 31, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner

**UNION TOWNSHIP MONTGOMERY COUNTY**

**Aaron Morgan, Trustee**

**PO Box 763 Crawfordsville, IN 47933**

**(765) 362-0706**

OFFICIAL RESPONSE

Date: November 10, 2023

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: Response to Audit Comment for period 1/1/2019 through 12/31/2022

Comment: Fire Cum Fund Investments reported in Ledger December (12/1/2019-12/31/2019) and 2019 Annual Report do not agree.

The ledger submitted for December 2019 was year-to-date rather than for the month only. This resulted in an overstatement of Fire Cum Investments for December. The year-to-date ledger reported total investments of 2,500,000. The total invested as of 12/31/2019 was 1,800,000, causing a 700,000 difference. The 2019 Annual Report total investments for Fire Cum was 1,800,000. There were no accounting errors.

Aaron Morgan  
Union Township Trustee