

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
UNION TOWNSHIP  
MADISON COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
08/29/2006



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OFFICIALS

Office

Official

Term

Trustee

J. Michael Phillips

01-01-03 to 12-31-06

Chairman of the  
Township Board

Richard Watson

01-01-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Union Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 2, 2006

UNION TOWNSHIP, MADISON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 51,281	\$ 37,268	\$ 23,778	\$ 64,771
Dog	550	136	250	436
Township Assistance	16,873	26,547	8,125	35,295
Firefighting	60,088	202,121	137,645	124,564
Levy Excess	388	-	-	388
Fire Debt	21,000	317,487	218,000	120,487
Building or Remodeling	67,000	-	-	67,000
Cumulative Fire	75,431	44,487	28,659	91,259
Totals	<u>\$ 292,611</u>	<u>\$ 628,046</u>	<u>\$ 416,457</u>	<u>\$ 504,200</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 64,771	\$ 80,577	\$ 27,743	\$ 117,605
Dog	436	130	136	430
Township Assistance	35,295	13,218	10,884	37,629
Firefighting	124,564	110,235	162,805	71,994
Levy Excess	388	7,033	388	7,033
Fire Debt	120,487	218,347	227,282	111,552
Building or Remodeling	67,000	-	-	67,000
Cumulative Fire	91,259	25,243	75,488	41,014
Totals	<u>\$ 504,200</u>	<u>\$ 454,783</u>	<u>\$ 504,726</u>	<u>\$ 454,257</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, MADISON COUNTY  
NOTES TO SCHEDULES

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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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. Long-Term Debt

The Township has entered into debt such as a capital lease for a new fire station and truck. The outstanding principal at December 31, 2005, was \$980,000.

UNION TOWNSHIP, MADISON COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond of the Township Trustee was not filed in the Office of the County Recorder. A similar comment appeared in prior Examination Reports B23946 and B15160,

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

CONTRACTS

Records presented for audit indicate payments were made for cemetery care in the amount of \$1,000 in 2004 and \$1,000 in 2005 without a contract.

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)

UNION TOWNSHIP, MADISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2006, with J. Michael Phillips, Trustee. The official concurred with our findings.