

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
UNION COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/15/2006

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OFFICIALS

Office

Official

Term

Trustee

Mark Rosenberger

01-01-03 to 12-31-06

Chairman of the
Township Board

Don Reiboldt

01-01-03 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION TOWNSHIP, UNION 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, 2003 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, 2003, 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

November 13, 2006

UNION TOWNSHIP, UNION COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 6,432	\$ 12,044	\$ 10,813	\$ 7,663
Dog	445	125	161	409
Township Assistance	6,231	-	400	5,831
Firefighting	1,988	7,820	6,250	3,558
Cemetery	1,704	77	-	1,781
Levy Excess	347	-	-	347
Totals	<u>\$ 17,147</u>	<u>\$ 20,066</u>	<u>\$ 17,624</u>	<u>\$ 19,589</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 7,663	\$ 10,342	\$ 10,176	\$ 7,829
Dog	409	194	125	478
Township Assistance	5,831	-	300	5,531
Firefighting	3,558	7,081	6,500	4,139
Rainy Day	-	471	-	471
Cemetery	1,781	50	404	1,427
Levy Excess	347	-	-	347
Totals	<u>\$ 19,589</u>	<u>\$ 18,138</u>	<u>\$ 17,505</u>	<u>\$ 20,222</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 7,829	\$ 8,834	\$ 10,275	\$ 6,388
Dog	478	150	195	433
Township Assistance	5,531	-	400	5,131
Firefighting	4,139	6,443	6,750	3,832
Rainy Day	471	-	-	471
Cemetery	1,427	37	-	1,464
Levy Excess	347	-	-	347
Totals	<u>\$ 20,222</u>	<u>\$ 15,464</u>	<u>\$ 17,620</u>	<u>\$ 18,066</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, UNION 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.

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.

UNION TOWNSHIP, UNION COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) Record balances were not reconciled to depository balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (2) There were a considerable number of posting errors. These errors included receipts not recorded in the proper amounts, interest not posted, beginning balances not agreeing with prior period ending balances, and the total of the individual funds not reconciling with the total all funds amount.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2006, with Mark Rosenberger, Trustee.
The official concurred with our finding.