

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

UNION TOWNSHIP

HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
04/20/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Paul R. Brasher	01-01-12 to 12-31-14
	Ann Wathen	01-01-15 to 12-31-18
Chairman of the Township Board	Terry Bowman	01-01-12 to 12-31-12
	Julian Owens	01-01-13 to 12-31-13
	Terry Bowman	01-01-14 to 12-31-14
	Julian Owens	01-01-15 to 12-31-15
	Terry Bowman	01-01-16 to 12-31-16
	Julian Owens	01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Union Township (Township), for the period of January 1, 2012 to December 31, 2015. The Township's management is responsible for the financial statements. 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 financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015, based on the prescribed basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 3, 2017

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

UNION TOWNSHIP, HENDRICKS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Township Fund	\$ 26,178	\$ 44,656	\$ 48,951	\$ 21,883	\$ 48,543	\$ 62,261	\$ 8,165
Township Assistance Fund	36,247	4,164	16,162	24,249	2,157	16,114	10,292
Fire Fighting Fund	9,408	28,512	37,638	282	41,140	41,379	43
Rainy Day Fund	1,285	449	-	1,734	-	1,285	449
Cumulative Fire Fund	86,156	9,709	-	95,865	12,248	27,681	80,432
Payroll Deduction Fund	(953)	3,083	3,839	(1,709)	6,577	4,868	-
Totals	<u>\$ 158,321</u>	<u>\$ 90,573</u>	<u>\$ 106,590</u>	<u>\$ 142,304</u>	<u>\$ 110,665</u>	<u>\$ 153,588</u>	<u>\$ 99,381</u>

The notes to the financial statements are an integral part of this statement.

UNION TOWNSHIP, HENDRICKS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township Fund	\$ 8,166	\$ 52,959	\$ 47,954	\$ 13,171	\$ 43,881	\$ 45,981	\$ 11,071
Township Assistance Fund	10,292	11,721	6,702	15,311	10,391	9,508	16,194
Fire Fighting Fund	42	42,112	42,154	-	23,773	17,000	6,773
Rainy Day Fund	449	-	-	449	-	-	449
Cumulative Fire Fund	80,432	14,316	89,000	5,748	10,366	10,628	5,486
emergency fire loan	-	-	-	-	30,391	17,024	13,367
Payroll Deduction Fund	-	4,621	4,621	-	2,304	-	2,304
Totals	<u>\$ 99,381</u>	<u>\$ 125,729</u>	<u>\$ 190,431</u>	<u>\$ 34,679</u>	<u>\$ 121,106</u>	<u>\$ 100,141</u>	<u>\$ 55,644</u>

The notes to the financial statements are an integral part of this statement.

UNION TOWNSHIP, HENDRICKS COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

UNION TOWNSHIP, HENDRICKS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

UNION TOWNSHIP, HENDRICKS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the Township to invest in securities including, but not limited to, the following: 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

UNION TOWNSHIP, HENDRICKS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6. Cash Balance Deficit

The financial statements contain a fund with a deficit in cash at December 31, 2012. This is a result of timing differences in the Payroll Deduction Fund.

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OTHER INFORMATION - UNEXAMINED

The Township's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Township's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

UNION TOWNSHIP, HENDRICKS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Cumulative Fire Fund	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 26,178	\$ 36,247	\$ 9,408	\$ 1,285	\$ 86,156	\$ (953)	\$ 158,321
Receipts:							
Taxes	28,610	3,433	12,260	-	9,068	-	53,371
Intergovernmental receipts	15,292	253	16,246	-	641	-	32,432
Other receipts	754	478	6	449	-	3,083	4,770
Total receipts	<u>44,656</u>	<u>4,164</u>	<u>28,512</u>	<u>449</u>	<u>9,709</u>	<u>3,083</u>	<u>90,573</u>
Disbursements:							
Personal services	23,237	-	-	-	-	-	23,237
Supplies	1,480	-	-	-	-	-	1,480
Other services and charges	24,234	16,162	37,638	-	-	-	78,034
Other disbursements	-	-	-	-	-	3,839	3,839
Total disbursements	<u>48,951</u>	<u>16,162</u>	<u>37,638</u>	<u>-</u>	<u>-</u>	<u>3,839</u>	<u>106,590</u>
Excess (deficiency) of receipts over disbursements	<u>(4,295)</u>	<u>(11,998)</u>	<u>(9,126)</u>	<u>449</u>	<u>9,709</u>	<u>(756)</u>	<u>(16,017)</u>
Cash and investments - ending	<u>\$ 21,883</u>	<u>\$ 24,249</u>	<u>\$ 282</u>	<u>\$ 1,734</u>	<u>\$ 95,865</u>	<u>\$ (1,709)</u>	<u>\$ 142,304</u>

UNION TOWNSHIP, HENDRICKS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Cumulative Fire Fund	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 21,883	\$ 24,249	\$ 282	\$ 1,734	\$ 95,865	\$ (1,709)	\$ 142,304
Receipts:							
Taxes	31,490	1,784	13,201	-	10,155	-	56,630
Intergovernmental receipts	16,844	348	19,087	-	2,093	-	38,372
Other receipts	209	25	8,852	-	-	6,577	15,663
Total receipts	<u>48,543</u>	<u>2,157</u>	<u>41,140</u>	<u>-</u>	<u>12,248</u>	<u>6,577</u>	<u>110,665</u>
Disbursements:							
Personal services	26,266	-	-	-	-	-	26,266
Supplies	2,091	-	-	-	-	-	2,091
Other services and charges	19,344	15,902	39,584	1,285	-	-	76,115
Capital outlay	-	-	-	-	26,300	-	26,300
Other disbursements	14,560	212	1,795	-	1,381	4,868	22,816
Total disbursements	<u>62,261</u>	<u>16,114</u>	<u>41,379</u>	<u>1,285</u>	<u>27,681</u>	<u>4,868</u>	<u>153,588</u>
Excess (deficiency) of receipts over disbursements	<u>(13,718)</u>	<u>(13,957)</u>	<u>(239)</u>	<u>(1,285)</u>	<u>(15,433)</u>	<u>1,709</u>	<u>(42,923)</u>
Cash and investments - ending	<u>\$ 8,165</u>	<u>\$ 10,292</u>	<u>\$ 43</u>	<u>\$ 449</u>	<u>\$ 80,432</u>	<u>\$ -</u>	<u>\$ 99,381</u>

UNION TOWNSHIP, HENDRICKS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Cumulative Fire Fund	emergency fire loan	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 8,166	\$ 10,292	\$ 42	\$ 449	\$ 80,432	\$ -	\$ -	\$ 99,381
Receipts:								
Taxes	22,340	10,564	12,538	-	9,644	-	-	55,086
Intergovernmental receipts	30,597	777	873	-	672	-	-	32,919
Other receipts	22	380	28,701	-	4,000	-	4,621	37,724
Total receipts	52,959	11,721	42,112	-	14,316	-	4,621	125,729
Disbursements:								
Personal services	27,776	-	-	-	-	-	-	27,776
Supplies	1,538	-	-	-	-	-	-	1,538
Other services and charges	18,640	6,702	42,154	-	-	-	-	67,496
Capital outlay	-	-	-	-	89,000	-	-	89,000
Other disbursements	-	-	-	-	-	-	4,621	4,621
Total disbursements	47,954	6,702	42,154	-	89,000	-	4,621	190,431
Excess (deficiency) of receipts over disbursements	5,005	5,019	(42)	-	(74,684)	-	-	(64,702)
Cash and investments - ending	\$ 13,171	\$ 15,311	\$ -	\$ 449	\$ 5,748	\$ -	\$ -	\$ 34,679

UNION TOWNSHIP, HENDRICKS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	Township Fund	Township Assistance Fund	Fire Fighting Fund	Rainy Day Fund	Cumulative Fire Fund	emergency fire loan	Payroll Deduction Fund	Totals
Cash and investments - beginning	\$ 13,171	\$ 15,311	\$ -	\$ 449	\$ 5,748	\$ -	\$ -	\$ 34,679
Receipts:								
Taxes	23,959	9,642	12,731	-	9,739	30,391	-	86,462
Intergovernmental receipts	19,845	614	11,042	-	627	-	-	32,128
Other receipts	77	135	-	-	-	-	2,304	2,516
Total receipts	<u>43,881</u>	<u>10,391</u>	<u>23,773</u>	<u>-</u>	<u>10,366</u>	<u>30,391</u>	<u>2,304</u>	<u>121,106</u>
Disbursements:								
Personal services	27,968	-	-	-	-	-	-	27,968
Supplies	7,299	-	-	-	-	-	-	7,299
Other services and charges	10,699	9,508	17,000	-	-	-	-	37,207
Debt service - principal and interest	-	-	-	-	-	17,024	-	17,024
Capital outlay	-	-	-	-	10,428	-	-	10,428
Other disbursements	15	-	-	-	200	-	-	215
Total disbursements	<u>45,981</u>	<u>9,508</u>	<u>17,000</u>	<u>-</u>	<u>10,628</u>	<u>17,024</u>	<u>-</u>	<u>100,141</u>
Excess (deficiency) of receipts over disbursements	<u>(2,100)</u>	<u>883</u>	<u>6,773</u>	<u>-</u>	<u>(262)</u>	<u>13,367</u>	<u>2,304</u>	<u>20,965</u>
Cash and investments - ending	<u>\$ 11,071</u>	<u>\$ 16,194</u>	<u>\$ 6,773</u>	<u>\$ 449</u>	<u>\$ 5,486</u>	<u>\$ 13,367</u>	<u>\$ 2,304</u>	<u>\$ 55,644</u>

UNION TOWNSHIP, HENDRICKS COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2015

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Notes and loans payable	emergency loan for fire services	\$ 13,367	\$ 13,367
Totals		<u>\$ 13,367</u>	<u>\$ 13,367</u>

UNION TOWNSHIP, HENDRICKS COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2015

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 25,000
Buildings	<u>435,000</u>
Total governmental activities	<u>460,000</u>
Total capital assets	<u><u>\$ 460,000</u></u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.