

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
MARSHALL COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/26/2010

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OFFICIALS

Office

Official

Term

Trustee

Marlene Mahler

01-01-07 to 12-31-10

Chairman of the
Township Board

John Benedict

01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township's management is responsible for the financial information presented herein. 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 information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 1, 2010

UNION TOWNSHIP, MARSHALL COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 137,636	\$ 63,288	\$ 59,580	\$ 141,344
Township Assistance	96,113	7,404	12,994	90,523
Fire Fighting	200,047	62,856	56,379	206,524
Cumulative Fire	153,528	39,700	5,101	188,127
Dog	544	-	544	-
Park and Recreation	3,745	16,190	14,000	5,935
Rainy Day	41,788	55,192	-	96,980
Emergency Medical Service	104,994	50,775	60,546	95,223
Totals	<u>\$ 738,395</u>	<u>\$ 295,405</u>	<u>\$ 209,144</u>	<u>\$ 824,656</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 141,344	\$ 89,418	\$ 53,035	\$ 177,727
Township Assistance	90,523	11,856	12,518	89,861
Fire Fighting	206,524	96,644	58,080	245,088
Cumulative Fire	188,127	54,914	-	243,041
Park and Recreation	5,935	19,682	16,550	9,067
Rainy Day	96,980	28,757	12,239	113,498
Emergency Medical Service	95,223	79,763	83,635	91,351
Totals	<u>\$ 824,656</u>	<u>\$ 381,034</u>	<u>\$ 236,057</u>	<u>\$ 969,633</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 177,727	\$ 98,749	\$ 54,833	221,643
Township Assistance	89,861	14,667	17,850	86,678
Fire Fighting	245,088	92,913	88,068	249,933
Cumulative Fire	243,041	47,612	48,989	241,664
Park and Recreation	9,067	18,559	17,020	10,606
Rainy Day	113,498	2,743	12,500	103,741
Emergency Medical Service	91,351	75,175	76,387	90,139
Totals	<u>\$ 969,633</u>	<u>\$ 350,418</u>	<u>\$ 315,647</u>	<u>\$ 1,004,404</u>

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP, MARSHALL COUNTY
NOTES TO FINANCIAL INFORMATION

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, culture and recreation, 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.

UNION TOWNSHIP, MARSHALL COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

UNION TOWNSHIP, MARSHALL COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

A deficiency relating to the recordkeeping was noted. A transaction for an encumbrance was recorded as a disbursement of \$83,948.65 in the Annual Report. The transaction was recorded in a fund that is not used by the Township and subsequently created a negative cash balance in that fund, which also understated Grand Total Cash and Investments of the Township by the same amount.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an accurate inventory or record of capital assets was prepared.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Marlene Mahler, Trustee.