

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
MADISON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED

04/26/2010

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OFFICIALS

Office

Official

Term

Trustee

J. Michael Phillips

01-01-07 to 12-31-10

Chairman of the
Township Board

Richard Watson

01-01-08 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, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2008 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, 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 Long-Term Debt, 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, MADISON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 84,504 | \$ 41,932 | \$ 53,717 | \$ 72,719 |
| Township Assistance | 4,643 | 23,517 | 16,645 | 11,515 |
| Fire Fighting | 35,547 | 184,037 | 190,792 | 28,792 |
| Cumulative Fire | 124,955 | 67,034 | 20,318 | 171,671 |
| Fire Equipment Debt | 6,322 | 216,701 | 223,000 | 23 |
| Construction | 67,000 | - | - | 67,000 |
| Levy Excess | 15,867 | - | 15,799 | 68 |
| Totals | <u>\$ 338,838</u> | <u>\$ 533,221</u> | <u>\$ 520,271</u> | <u>\$ 351,788</u> |

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 72,719 | \$ 58,800 | \$ 50,232 | \$ 81,287 |
| Township Assistance | 11,515 | 19,956 | 19,529 | 11,942 |
| Fire Fighting | 28,792 | 216,687 | 177,054 | 68,425 |
| Cumulative Fire | 171,671 | 35,907 | 143,457 | 64,121 |
| Fire Equipment Debt | 23 | 224,977 | 225,000 | - |
| Construction | 67,000 | - | - | 67,000 |
| Levy Excess | 68 | - | 68 | - |
| Totals | <u>\$ 351,788</u> | <u>\$ 556,327</u> | <u>\$ 615,340</u> | <u>\$ 292,775</u> |

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

UNION TOWNSHIP, MADISON 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, 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. 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).

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, MADISON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|------------------------------------|--------------------------------|---|
| Governmental activities: | | |
| Capital leases: | | |
| Fire station | \$ 107,153 | \$ 110,000 |
| Fire equipment | <u>1,583,730</u> | <u>222,928</u> |
| Total governmental activities debt | <u>\$ 1,690,883</u> | <u>\$ 332,928</u> |

UNION TOWNSHIP, MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with J. Michael Phillips, Trustee. Our examination disclosed no material items that warrant comment at this time.