

B36860

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

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



FILED
05/10/2010

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OFFICIALS

Office

Official

Term

Trustee

Craig Bassett

01-01-07 to 12-31-10

Chairman of the
Township Board

John Foley

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, DEKALB 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.

STATE BOARD OF ACCOUNTS

April 20, 2010

UNION TOWNSHIP, DEKALB COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 252,614	\$ 68,059	\$ 45,436	\$ 275,237
Township Assistance	204,197	29,629	50,044	183,782
Firefighting	5,911	10,459	6,000	10,370
Fire Debt Service	2	-	-	2
Dog	924	-	924	-
Fiduciary Fund:				
Payroll Withholdings	<u>(6,329)</u>	<u>16,517</u>	<u>8,482</u>	<u>1,706</u>
Totals	<u>\$ 457,319</u>	<u>\$ 124,664</u>	<u>\$ 110,886</u>	<u>\$ 471,097</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 275,237	\$ 94,191	\$ 117,339	\$ 252,089
Township Assistance	183,782	34,343	87,024	131,101
Firefighting	10,370	43,690	16,000	38,060
Fire Debt Service	2	-	-	2
Fiduciary Fund:				
Payroll Withholdings	<u>1,706</u>	<u>12,627</u>	<u>13,713</u>	<u>620</u>
Totals	<u>\$ 471,097</u>	<u>\$ 184,851</u>	<u>\$ 234,076</u>	<u>\$ 421,872</u>

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

UNION TOWNSHIP, DEKALB 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, DEKALB COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

There were a considerable number of posting errors. Payments for township assistance were posted to the Payroll Withholdings Fund and the Township's portion of FICA and Medicare were paid out of the Payroll Withholding Fund instead of the Township Fund.

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)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest which was the responsibility of a prior Trustee totaling \$2,880 were paid to the Internal Revenue Service on September 14, 2009, for the year 2006. \$13.53 was paid to the Indiana Department of Revenue on September 10, 2009, for the first quarter of 2009. A similar comment appeared in prior Report B33976.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

The records presented for examination indicated Firefighting Fund expenditures in excess of budgeted appropriations of \$9,500 or 146%. A similar comment appeared in prior Report B33976.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

UNION TOWNSHIP, DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2010, with Craig Bassett, Trustee. The official concurred with our findings.