

B36956

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

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



FILED
05/14/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Condition of Records	6
Annual Report Not Filed Electronically	6
Overdrawn Fund Balances	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Don C. Young Connie Garrett-Brasher	01-01-03 to 01-03-08 01-08-08 to 12-31-10
Chairman of the Township Board	Julian Owens Richard Pingel Julian Owens	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION TOWNSHIP, HENDRICKS 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.

STATE BOARD OF ACCOUNTS

March 25, 2010

UNION TOWNSHIP, HENDRICKS 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 83,077	\$ 77,942	\$ 61,414	\$ 99,604
Dog	850	-	-	850
Township Assistance	42,229	11,203	9,881	43,551
Firefighting	13,757	12,448	27,911	(1,706)
Cumulative Fire	74,606	13,014	28,232	59,388
Rainy Day	-	1,222	-	1,222
Fiduciary Fund:				
Payroll Deductions	(166)	4,796	5,540	(910)
Totals	<u>\$ 214,353</u>	<u>\$ 120,625</u>	<u>\$ 132,978</u>	<u>\$ 202,000</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 99,604	\$ 27,003	\$ 39,529	\$ 87,078
Dog	850	-	850	-
Township Assistance	43,551	10,249	7,841	45,959
Firefighting	(1,706)	30,684	39,000	(10,022)
Cumulative Fire	59,388	10,813	4,477	65,725
Rainy Day	1,222	5,335	-	6,557
Fiduciary Fund:				
Payroll Deductions	(910)	5,057	4,110	37
Totals	<u>\$ 202,000</u>	<u>\$ 89,140</u>	<u>\$ 95,806</u>	<u>\$ 195,334</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 87,078	\$ 28,227	\$ 39,566	\$ 75,739
Township Assistance	45,959	15,729	10,878	50,810
Firefighting	(10,022)	47,657	30,000	7,635
Cumulative Fire	65,725	13,157	6,000	72,881
Rainy Day	6,557	-	6,557	-
Fiduciary Fund:				
Payroll Deductions	37	6,842	7,645	(767)
Totals	<u>\$ 195,334</u>	<u>\$ 111,612</u>	<u>\$ 100,647</u>	<u>\$ 206,299</u>

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

UNION TOWNSHIP, HENDRICKS 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.

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, HENDRICKS COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the Payroll Withholdings Fund. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. Additionally, the Payroll Deduction Fund was not included in the Annual Financial Reports published during the period examined.

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)

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)

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)

ANNUAL REPORT NOT FILED ELECTRONICALLY

The Township Trustee did not file an electronic Annual Report with the State Examiner for the period January 1, 2009 to December 31, 2009.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

OVERDRAWN FUND BALANCES

The Firefighting Fund from December 31, 2008, and the Payroll Deductions Fund from December 31, 2009, were overdrawn.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

UNION TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Connie Garret-Brasher, Trustee. The official concurred with our findings.