

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
HENDRICKS COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
12/27/2007

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OFFICIALS

Office

Official

Term

Trustee

Don C. Young

01-01-05 to 12-31-07

Chairman of the
Township Board

Richard Pingel
Julian Owens

01-01-05 to 12-31-06
01-01-07 to 12-31-07



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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 financial information presented herein of Union Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 30, 2007

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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 93,867	\$ 31,187	\$ 37,854	\$ 87,200
Dog	1,205	673	905	973
Township Assistance	28,982	11,715	10,846	29,851
Firefighting	22,399	13,812	31,820	4,391
Cumulative Fire	87,888	10,063	21,379	76,572
Fiduciary Fund:				
Payroll Deductions	-	4,406	4,523	(117)
Totals	<u>\$ 234,341</u>	<u>\$ 71,856</u>	<u>\$ 107,327</u>	<u>\$ 198,870</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 87,200	\$ 33,181	\$ 37,304	\$ 83,077
Dog	973	462	585	850
Township Assistance	29,851	22,176	9,798	42,229
Firefighting	4,391	37,379	28,013	13,757
Cumulative Fire	76,572	19,863	21,829	74,606
Fiduciary Fund:				
Payroll Deductions	(117)	4,559	4,608	(166)
Totals	<u>\$ 198,870</u>	<u>\$ 117,620</u>	<u>\$ 102,137</u>	<u>\$ 214,353</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

Normally, 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 may 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 except for property taxes available for distribution on December 31, 2005 which were not received until January 5, 2006.

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.

Note 6. Debt

The Township has entered into a note payable for the purchase of a new fire truck. The outstanding principal at December 31, 2006, was \$92,607.41.

UNION TOWNSHIP, HENDRICKS COUNTY
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on investments in some instances was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the Payroll Deductions Fund. The records presented did not provide sufficient information to examination 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)

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)

CONTRACTS

Records presented for examination indicate payments were made to the Lizton-Union Township Volunteer Fire Department for fire fighting services in 2005 without a contract. The amount the Township and the Fire Department verbally agreed would be paid for firefighting services was \$25,000; however, the Township actually paid the Lizton-Union Township Volunteer Fire Department \$26,000 in 2005.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

UNION TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2007, with Don C. Young, Trustee.
The official concurred with our findings.