

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
ST. JOSEPH COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/01/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Bob E. Feitz	01-01-07 to 12-31-10
President of the Township Board	Chris Rowe Frank Creighton	01-01-07 to 12-31-08 01-01-09 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, ST. JOSEPH 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. The Schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Schedule.

STATE BOARD OF ACCOUNTS

February 18, 2010

UNION TOWNSHIP, ST. JOSEPH 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	\$ 166,586	\$ 219,751	\$ 123,254	\$ 263,083
Dog	938	-	938	-
Township Assistance	23,826	835	5,131	19,530
Fire Territory	166,788	113,707	83,640	196,855
Rainy Day	3,259	-	-	3,259
Levy Excess	1,397	-	1,397	-
Fire Equipment Debt	36,230	28,941	7,518	57,653
Fire Replacement	29,703	25,556	180	55,079
Fiduciary Fund:				
Payroll Withholdings	-	559	-	559
Totals	<u>\$ 428,727</u>	<u>\$ 389,349</u>	<u>\$ 222,058</u>	<u>\$ 596,018</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 263,083	\$ 80,674	\$ 173,784	\$ 169,973
Township Assistance	19,530	2,892	6,913	15,509
Fire Territory	196,855	41,678	115,645	122,888
Rainy Day	3,259	49,226	-	52,485
Fire Equipment Debt	57,653	27,552	23,067	62,138
Fire Replacement	55,079	10,588	5,600	60,067
Fiduciary Fund:				
Payroll Withholdings	559	1,728	1,362	925
Totals	<u>\$ 596,018</u>	<u>\$ 214,338</u>	<u>\$ 326,371</u>	<u>\$ 483,985</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 169,973	\$ 187,871	\$ 114,994	\$ 242,850
Township Assistance	15,509	33,539	17,909	31,139
Fire Territory	122,888	143,351	179,073	87,166
Rainy Day	52,485	38,770	25,000	66,255
Levy Excess	-	8,373	-	8,373
Fire Equipment Debt	62,138	49,702	29,996	81,844
Fire Replacement	60,067	42,425	4,000	98,492
Fiduciary Fund:				
Payroll Withholdings	925	3,196	4,121	-
Totals	<u>\$ 483,985</u>	<u>\$ 507,227</u>	<u>\$ 375,093</u>	<u>\$ 616,119</u>

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

UNION TOWNSHIP, ST. JOSEPH 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, ST. JOSEPH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
As of December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 107,000
Buildings	135,000
Machinery and equipment	<u>521,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 763,000</u>

UNION TOWNSHIP, ST. JOSEPH COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

Financial records presented for examination, specifically the annual reports, were incomplete and not reflective of the activity of the Township. The annual reports presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions.

Investments were not recorded in the 2009 Annual Report. Additionally, the Township sold a certificate of deposit in the amount of \$105,075, which was not reflected in the 2009 Annual Report.

There were several instances in the 2009 Annual Report of receipts being recorded as the wrong classification.

The 2008 Annual Report overstated the year-end cash and investment balance by \$87,878.

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)

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)

UNION TOWNSHIP, ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 18, 2010, Bob E. Feitz, Trustee; and Frank Creighton, President of the Township Board.