

B36549

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

EXAMINATION REPORT
OF
UNION TOWNSHIP
BOONE COUNTY, INDIANA
January 1, 2008 to February 28, 2010



FILED
04/28/2010

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OFFICIALS

Office

Official

Term

Trustee

Candace Ulmer

01-01-07 to 12-31-10

President of the
Township Board

Dan Montgomery

01-01-07 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, BOONE COUNTY, INDIANA

We have examined the financial information presented herein of Union Township (Township), for the period of January 1, 2008 to February 28, 2010. The Trustee'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 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

March 17, 2010

UNION TOWNSHIP, BOONE 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 and For The Period Ending February 28, 2010

| | Cash and Investments | | Cash and Investments | |
|-------------------------|----------------------|---------------------|----------------------|-------------------|
| | 01-01-08 | Receipts | Disbursements | 12-31-08 |
| Governmental Funds: | | | | |
| Township Fund | \$ 26,356 | \$ 118,998 | \$ 125,430 | \$ 19,924 |
| Emergency Fire Loan | - | 492,380 | 453,177 | 39,203 |
| Firefighting | 71,531 | 395,837 | 431,900 | 35,468 |
| Park and Recreation | 4,906 | 67,446 | 23,950 | 48,402 |
| Township Assistance | 680 | 19,529 | 15,726 | 4,483 |
| Levy Excess | 1,211 | - | - | 1,211 |
| Cum. Fire Building Debt | 22,280 | 85,958 | 56,574 | 51,664 |
| Donations | 6,637 | - | - | 6,637 |
| Rainy Day | - | 17,248 | - | 17,248 |
| Fire Debt | - | 123,481 | - | 123,481 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | 1,475 | 2,516 | 5,076 | (1,085) |
| Totals | <u>\$ 135,076</u> | <u>\$ 1,323,393</u> | <u>\$ 1,111,833</u> | <u>\$ 346,636</u> |

| | Cash and Investments | | Cash and Investments | |
|----------------------|----------------------|-------------------|----------------------|-------------------|
| | 01-01-09 | Receipts | Disbursements | 12-31-09 |
| Governmental Funds: | | | | |
| Township Fund | \$ 19,924 | \$ 9,604 | \$ 25,973 | \$ 3,555 |
| Emergency Fire Loan | 39,203 | 238,858 | 270,477 | 7,584 |
| Firefighting | 35,468 | 261,068 | 282,742 | 13,794 |
| Park and Recreation | 48,402 | 38,174 | 24,943 | 61,633 |
| Township Assistance | 4,483 | 16,829 | 19,655 | 1,657 |
| Levy Excess | 1,211 | - | - | 1,211 |
| Fire Building Debt | 51,664 | 75,628 | 158,425 | (31,133) |
| Donations | 6,637 | - | - | 6,637 |
| Rainy Day | 17,248 | 32,315 | - | 49,563 |
| Fire Debt | 123,481 | 97,107 | 170,548 | 50,040 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | (1,085) | 2,732 | 1,689 | (42) |
| Totals | <u>\$ 346,636</u> | <u>\$ 772,315</u> | <u>\$ 954,452</u> | <u>\$ 164,499</u> |

| | Cash and Investments | | Cash and Investments | |
|----------------------|----------------------|------------------|----------------------|-------------|
| | 01-01-10 | Receipts | Disbursements | 02-28-10 |
| Governmental Funds: | | | | |
| Township Fund | \$ 3,555 | \$ 1,130 | \$ 4,685 | \$ - |
| Emergency Fire Loan | 7,584 | - | 7,584 | - |
| Firefighting | 13,794 | - | 13,794 | - |
| Park and Recreation | 61,633 | - | 61,633 | - |
| Township Assistance | 1,657 | - | 1,657 | - |
| Levy Excess | 1,211 | - | 1,211 | - |
| Fire Building Debt | (31,133) | 31,133 | - | - |
| Donations | 6,637 | - | 6,637 | - |
| Rainy Day | 49,563 | - | 49,563 | - |
| Cumulative Bldg. | 50,040 | - | 50,040 | - |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | (42) | - | (42) | - |
| Totals | <u>\$ 164,499</u> | <u>\$ 32,263</u> | <u>\$ 196,763</u> | <u>\$ -</u> |

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

UNION TOWNSHIP, BOONE 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.

Note 6. Merging of Units

Eagle Township and Union Township have merged with the Town of Zionsville as of December 31, 2009. All outstanding financial transactions with Union Township were settled as of February 28, 2010; cash, investments, and assets are now under ownership of the Town of Zionsville.

UNION TOWNSHIP, BOONE 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: | | |
| Bonds payable: | | |
| Revenue bonds: | | |
| First Mortgage Bonds, Series 2006 | <u>\$ 1,790,000</u> | <u>\$ 100,560</u> |
| Fire Emergency Loan | <u>230,000</u> | <u>236,851</u> |
| Total governmental activities debt | <u><u>\$ 2,020,000</u></u> | <u><u>\$ 337,411</u></u> |

Debt move to Town of Zionsville as part of merger.

UNION TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

| Fund | Year | Excess Amount Expended |
|----------------------|------|------------------------------|
| Township Assistance | 2009 | \$ 9,498.30 |
| Fire Fighting | 2009 | 206,001.98 |
| Fire Building Debt | 2009 | 56,571.02 |
| Parks and Recreation | 2009 | 13,949.79 |
| Fire Debt | 2009 | 150,749.65 |

A similar comment appeared in prior Report B34086.

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."

OFFICIAL BOND

The Trustee filed a surety bond for \$2,500 with the Boone County Recorder.

Until July 1, 2009, IC 5-4-1-18 stated in part:

"(c) The fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000) . . ."

UNION TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. . . ."

LATE FILING OF EMPLOYMENT TAXES

The Trustee was late in filing and payment of employment taxes to the appropriate taxing authorities which resulted in assessment of penalties and interest against the Township. The Trustee has been paying the penalties and interest from her personal bank account.

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.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

UNION TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 23, 2010, with Candace Ulmer, Trustee.